

Mubarak expected to visit Jordan

By DAVID BERNSTEIN
Post-Middle East Affairs Reporter and agencies

Egyptian President Hosni Mubarak is to visit Jordan next month, after a visit to Iraq, well-informed sources in Amman were quoted as saying yesterday.

The Jordan visit, if it takes place, will represent not only the culmination of a steadily growing rapprochement between the two countries over the past year, but also the further evolution of a strengthening Cairo-Amman axis in the search for a solution to the Palestinian problem.

Egypt's Minister of State for Foreign Affairs, Butros Ghali, confirmed this yesterday when he told reporters in Cairo that Egypt is ready to cooperate with Jordan and the PLO in efforts to seek a joint approach to the various Middle East peace proposals.

Egypt has already initiated a dialogue with PLO chairman Yasser Arafat, who visited Cairo soon after his evacuation from Tripoli, and has encouraged Arafat to resume his dialogue with Jordan's King Hussein.

Arafat is expected in Amman shortly, according to some reports, after an impending visit to West Africa. His deputy, Khalil Wazir (Abu Jihad) is already in Amman, apparently paving the way for Arafat's arrival. Wazir had what he

described as "positive" talks with Hussein yesterday.

Egypt's growing rapprochement with the Arab world has caused concern in some quarters that its commitment to the Camp David accords and its peace treaty with Israel may be weakening.

Washington: In particular is reported to have been perturbed by an item in the New York Times over the weekend, in which Morocco's King Hassan was quoted as saying Mubarak had told him that the Camp David accords are, as far as Egypt is concerned, "dead."

Mubarak's public pronouncements have given the opposite impression: that he remains committed to the accords as providing the only feasible basis for further progress towards a solution of the Palestinian problem.

But he could conceivably seek to stretch Egypt's interpretation of these to provide a direct role for the PLO as part of a bid to bridge the gap between U.S. President Ronald Reagan's Middle East peace initiative, which provides no role for the PLO, and the rival Arab plan adopted at the Fez summit, which does.

This, it appears, would be the chief purpose of the proposed tripartite Egyptian-Jordanian-PLO search for a joint approach to the various Middle East peace proposals.



Finance Minister Yigal Cohen-Orgad announces cabinet approval of the budget yesterday at a press conference.

Cabinet okays budget with IS12b. defence cut

By AVI TEMKIN
Post Economic Reporter

The cabinet yesterday approved a IS1,446.5 billion budget for fiscal 1984 at 1983 prices. The budget takes into account the cuts in the various ministries recommended by the Ministerial Economic Committee early last month, including the slash in the defence and education budgets.

Despite the cabinet approval, the Treasury conceded yesterday that differences still remain with the Education Ministry on the planned IS4 b. cut from its budget. Education Minister Zevulun Hammer did not attend the cabinet meeting. He is still recuperating from a heart attack but has said that his ministry will demand a budget totalling IS75.6b., instead of the IS74.5b. approved yesterday by the cabinet.

Finance Minister Yigal Cohen-Orgad said yesterday at a press conference that the Treasury and the Defence Ministry have yet to resolve financing of Israel's stay in Lebanon. Treasury officials said later that the issue will have to be resolved in the next few days. One of the possibilities envisaged by the Treasury is to use funds from the budget reserve.

The defence budget will be slashed, according to the cabinet decision, by some IS12b. Cohen-Orgad said that this slash will be additional to past cuts decided by the cabinet. According to a decision last August, the defence budget was to be cut by IS8b. during fiscal 1983, and by IS1.75b. over fiscal 84 and 85.

Cohen-Orgad said yesterday that the total budget as approved by the cabinet adds up to some IS60b. He noted that IS70b. had been cut last August. Taking this into account, the cuts decided upon by the cabinet in recent months total some IS130b. at 1983 prices (some IS1.8b.). (The budget has to be presented to the Knesset for approval.)

Cabinet discusses order in territories

Jerusalem Post Reporter

More manpower and more resources are a precondition for reinforcing law and order in the administered areas, several cabinet ministers said yesterday in a discussion of a joint proposal concerning law and order there, drawn up by the three ministers most directly responsible.

Defence Minister Moshe Arens, Interior Minister Yosef Burg and Justice Minister Moshe Nissim presented their joint proposal yesterday. The discussion will continue at a future cabinet session.

All the ministers who spoke agreed that the same legal norms must be applied to Jews and Arabs in the areas. They also agreed that a clear distinction must be drawn between self-defence and retaliation or punishment by individuals.

The Karp report, drawn up by Deputy Attorney-General Yehudit Karp, which lists a series of failures by the security authorities to take active steps against Jews who violate law and order in the areas, was not the focus of the discussion. The report has not yet been submitted to the cabinet, which was discussing the application of law and order in the territories in general.

But Attorney-General Yitzhak Zamir mentioned the report when he explained that Jews in the areas who commit offences are prosecuted under Israeli law, as though they were residing inside Israel at the time of the offence. The report does not deal with Arab lawbreakers, he said.

An inkling of the resentment felt by the Likud ministers against the Karp report could be gleaned from the statement by a senior government official to reporters, that "the Karp report gives a one-sided impression about what's going on in the areas. The number of Arabs who break the law in the areas and get away scot-free is many times larger than the number of Jews who break the law and get away scot-free."

The same official was unable to say whether the cabinet would be given the report (which makes charges against the settlers and the authorities alike) or whether the report would ever reach the public. But the official did admit: "Keeping law and order in the areas is not at all simple."

Shamir to Likud heads 'We cut or we quit'

By ASHER WALLFISH
Jerusalem Post Reporter

Prime Minister Yitzhak Shamir said yesterday that the country's economic problems are so vexing that if the cabinet refused to approve the budget outline for 1984/85, he would have no choice but to go to President Chaim Herzog and submit his resignation.

When a prime minister resigns, the entire cabinet is considered as resigning, under the Basic Law: Government.

Opening a consultation between all the Likud ministers at 1 p.m. yesterday, after the first of two cabinet sessions, Shamir was understood to be browbeating his colleagues into accepting the budget-cut proposals of Finance Minister Yigal Cohen-Orgad, without further delay.

But Shamir was also countering a play by Defence Minister Moshe Arens, who had said earlier at a smaller gathering of Herut Party ministers, that he could not be solely responsible for weakening Israel's security by accepting the cuts, and might have to consider shedding the responsibility entirely.

An inside source told The Jerusalem Post: "Arens hinted he might resign, so Shamir pulled Arens into line. Shamir made it plain that Arens could not jump off the wagon and assume that his colleagues would carry on as though nothing had happened, cutting defence according to plan."

The Post was told: "Shamir made it plain that Arens's resignation would be ineffective as a bargaining ploy, because his own resignation would follow on its heels, leaving Arens with nobody to whom to pass the buck."

Shamir also told his colleagues that the budget cuts were only the initial step in a long series of (Continued on Page 2, Col. 7)

Treasury to encourage investment

By AVI TEMKIN
Post Economic Reporter

The Treasury will within two weeks present new measures to encourage savings and investments in the short term, Finance Minister Yigal Cohen-Orgad said yesterday.

Cohen-Orgad said a Treasury team is currently preparing these measures, and is also preparing a programme for a broad reform of the capital market. He did not elaborate.

The minister added that under the budget approved by the cabinet, the public will have to pay for services it gets from the government. The standard of living will fall by some 7 per cent during the coming year, he said.

Cohen-Orgad was optimistic about developments in the coming months. According to the minister, December trade deficit figures showed a 38 per cent improvement over the previous month.

He added that Treasury figures show that industrial firms are planning large increases in their exports. "In the case of four corporations, there is a planned rise of 35 per cent in export sales," he added.

Cohen-Orgad refused to make any forecasts about the rate of devaluation, the pace of price increases and the unemployment rate for the coming fiscal year. But he said that the inflation rate had slowed since October and he interpreted this as a sign that the public's demand for goods and services has been easing.

The minister announced that the Treasury has been approached by several foreign corporations on the possibilities of buying government-owned companies. He said the government would be willing to sell not only failing companies, but profitable ones well.

According to the minister, prices of basic commodities will continue to rise slightly faster than the rate of inflation to enable the Treasury to cut some IS14 billion from the subsidies budget. Prices of fuel will rise in proportion with the rate of inflation.

While the approved budget calls for an increase in various fees the public will have to pay, taxes will remain at their present rates. Cohen-Orgad said the Treasury will try to boost tax collection at the present rates by abolishing exemptions.

Cohen-Orgad said real wages will fall 12 per cent compared to their level over the third quarter of last year. But he stressed that the real level of wages would be maintained as of the beginning of the year.

Education Min. ready to trim 50,000 hours

By LEA LEVAVI
Jerusalem Post Reporter

TEL AVIV. — The Education Ministry is ready to cut 50,000 teaching hours, rather than the 120,000 demanded by the Finance Ministry, a spokesman for Education Minister Zevulun Hammer said before yesterday afternoon's cabinet meeting. He said a 120,000-hour cut would be harmful to education.

Even within the 50,000 hour framework, the ministry has talked more about what will not be cut than about where cuts will be made. In meetings with teachers, parents, local authority representatives and other interested parties, the minister promised that tenured teachers' jobs would be protected, that services for disadvantaged pupils would not be cut, that scientific and technological education would not suffer, and that there would not be a second shift in the schools. So far, all that has been said about the cuts which will be made is that they will affect hours "beyond the standard requirements." Asked what this means, a ministry official cited as examples the school librarian or psychologist, but hastened to add that these are only examples.

Dozens of educators, artists and public figures yesterday protested against the Treasury's intention to cut the education budget.

In a meeting organized by the Histadrut, actress Hana Maron urged that the "landslide" be stopped before it is too late. Tel Aviv University professor Michael Harsgor said that the cut in the universities' budget would primarily hit students from poor homes.

ASYLUM. — Six East Germans who sought political asylum in the U.S. Embassy in East Berlin arrived in West Berlin last night, an embassy spokesman said.

Arens hinted at quitting over cuts in his budget

By HIRSH GOODMAN
Post Defence Correspondent

Defence Minister Moshe Arens threatened to resign several times at the cabinet meeting yesterday during discussions on the defence budget.

Only a last-minute discussion with Prime Minister Yitzhak Shamir, who later called in Finance Minister Yigal Cohen-Orgad, averted Arens's resignation.

The three ministers eventually found a mutually acceptable formula whereby the \$650 million cut in the \$5.2 billion defence budget would be financed as follows: \$300m. by cutting the U.S. defence-aid package to Israel from \$1.7b. to \$1.4b., under better credit arrangements; \$250m. by converting into shekels this sum recently allocated by the U.S. Congress for the Lavi jet project; and \$100m. from the current operating budget of the ministry.

While the first two sums will have a long-range impact on Israel's armed forces, the \$100m. from the operating budget will immediately mean a smaller army.

Arens said as much in a statement last night. It is only because of the country's dire economic situation that he agreed to the compromise at all, he said.

The main victims of the \$100m. cut are building projects, weapons development, and some weapons deployed with the standing army.

This is the fourth consecutive year that the defence budget has been cut. Cabinet officials are placing great hope in that the agreement on strategic co-operation with the U.S. will include American stockpiling here, as well as the maintenance of American vessels and joint funding of research projects. This, it is hoped, will alleviate some of the strain placed on the defence establishment.

It is understood that Arens's agreement not to resign was on condition that the development of the armed forces and Israel's long-range needs would not be put under the axe again.

Israel again excluded from Egyptian book fair

CAIRO (AP). — An Israeli Embassy official yesterday expressed discontent at Israel's exclusion from the Egyptian International Book Fair for the second straight year.

The official, who declined to be identified, said although the embas-

sy had received approval from the Egyptian foreign ministry to participate, the fair's officials claimed there were no stalls available.

"We are not very happy," the official said. "In principle we should have participated, but the (book fair's) manager said all the stalls were full and there was no stall available for us."

"They could not give even one square metre to us," the official added.

Poll shows Reagan tied with Mondale, Glenn

NEW YORK (Reuters). — President Ronald Reagan has slipped in popularity and would be exactly level with both the leading Democratic presidential hopefuls if an election were held now, according to a poll published yesterday.

The New York Times said that in a survey of 868 voters nationwide taken last weekend by the Gallup Poll, former vice-president Walter Mondale and Sen. John Glenn each received the same support as Reagan when rated against him.

Grunzweig probe reveals IDF weapons trade

By ROBERT ROSENBERG
Jerusalem Post Reporter

As many as 4,000 stolen IDF hand grenades and "countless other weapons taken as booty in Lebanon" are available to the underworld in a brisk business involving millions of shekels, police sources estimate.

The sources said that one by-product of the investigation into the grenade attack that killed peace activist Emil Grunzweig last year was the discovery that "the army is in a mess when it comes to safeguarding equipment" and that "it seems that some commanders are apathetic about what could happen to a stolen rifle, grenade or box of explosives."

A representative of the military police worked with the Southern District Command's special investigation team, headed by Nitzav Mishne. Baruch Meir. Police sources said that many of the 46 criminal cases uncovered by Meir and his deputy, Sgan-Nitzav Rafi Peled, involved grenades stolen from the army.

The military police are trying to "fill the massive holes in the fence" through which the weapons disappear from army camps, said one source, but he has little hope that there will be an end to the market in stolen weapons.

Police sources refused to confirm that there is a major network running the market, but they did say that David Shemtov, who is suspected of supplying the grenade that killed Grunzweig, "was a small fish in the business."

Meanwhile, police sources emphasized yesterday that "it is up to the General Security Services" to determine whether there is one or many Jewish undergrounds or any other political conspiracies behind the recent attacks on Arab institutions and personalities in the West Bank and Jerusalem region.

One senior investigative source said that while the police were at work on the criminal aspects of the case that resulted in the arrest of murder suspect Yona Avrushmi, the GSS was involved in other aspects.

The police realized that Yona Avrushmi might be their man a month ago.

"At first we had a little bit of information," said a source. On the basis of that information, intelligence operatives, coordinated by Sgan-Nitzav Peled, were deployed. When 20-year-old Shemtov, a soldier, was arrested, the police knew that within 24 hours they would be able to arrest Avrushmi.

Peled leaves today for Southeast Asia, where he will be the guest of the Thai government's drug-enforcement unit.

When he returns in about a month, Peled takes on the job of deputy director of intelligence in the national force.

(Burg ripped — page 3)



Yona Avrushmi (Scoop 80)



Sgan-Nitzav Rafi Peled, deputy chief of the Grunzweig murder investigation.

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The weather at major Swissair destinations

| | 22.1.84 | MIN. | MAX. | |
|----------------|---------|------|------|----|
| | C | F | C | F |
| AMSTERDAM | 1 | 30 | 4 | 39 |
| BRUSSELS | 1 | 30 | 4 | 39 |
| BUENOS AIRES | 1 | 30 | 4 | 39 |
| CHICAGO | 0 | 32 | 6 | 43 |
| COPENHAGEN | 0 | 32 | 6 | 43 |
| FRANKFURT | 0 | 32 | 6 | 43 |
| GENEVA | 1 | 30 | 4 | 39 |
| HELSINKI | 0 | 32 | 6 | 43 |
| HONG KONG | 8 | 48 | 8 | 48 |
| JOHANNESBURG | 14 | 57 | 30 | 86 |
| LISBON | 10 | 50 | 15 | 59 |
| LONDON | 1 | 30 | 4 | 39 |
| MADRID | 4 | 39 | 12 | 54 |
| MONTREAL | 26 | 79 | 32 | 90 |
| NEW YORK | 12 | 54 | 19 | 66 |
| PARIS | 10 | 50 | 15 | 59 |
| RIO DE JANEIRO | 22 | 72 | 28 | 82 |
| SAO PAULO | 17 | 63 | 27 | 81 |
| STOCKHOLM | 0 | 32 | 6 | 43 |
| TOKYO | 0 | 32 | 6 | 43 |
| TORONTO | 20 | 68 | 24 | 75 |
| VIENNA | 1 | 30 | 4 | 39 |
| ZURICH | 1 | 30 | 4 | 39 |

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THE WEATHER

Forecast: Clear to partly cloudy.

| | Yesterday's | Yesterday's | Today's |
|-------------|-------------|-------------|---------|
| | Humidity | Min-Max | Max |
| Jerusalem | 55 | 7-12 | 14 |
| Golan | 59 | 1-13 | 14 |
| Nahariya | 60 | 7-12 | 18 |
| Safed | 68 | 5-12 | 12 |
| Haifa Port | 68 | 13-18 | 18 |
| Tiberias | 45 | 6-18 | 18 |
| Nazareth | 62 | 8-18 | 16 |
| Afula | 66 | 2-18 | 15 |
| Shimon | 61 | 6-13 | 15 |
| Tel Aviv | 55 | 9-17 | 18 |
| B-G Airport | 57 | 6-18 | 18 |
| Jericho | 51 | 6-21 | 20 |
| Gaza | 72 | 10-17 | 18 |
| Beer Sheva | 50 | 4-17 | 18 |
| Eilat | 24 | 9-21 | 21 |

U.S., Soviet ready to resume talks on troop cuts

WASHINGTON (AP). — Secretary of State George Shultz said yesterday that the U.S. has informed the Soviet Union that it is willing to resume talks on troop reductions in Vienna on March 16.

Shultz said the U.S. is continuing talks with the Soviets on other arms aspects, even though talks on long-range and short-range nuclear weapons have been suspended.

Shultz, in an interview on the ABC television programme, "This Week with David Brinkley," said Soviet Foreign Minister Andrei Gromyko made a proposal to resume the talks on troop reductions at a meeting between the two men on East-West security in Stockholm last week.

"Mr. Gromyko, when I met with him in Stockholm, suggested that we resume the discussions on the MBFR (Mutual and Balanced Force Reduction), that is, the troop level discussions in Vienna on conventional forces, on March 16 ... and we've let them know that we think the date is agreeable," Shultz said.

The negotiations were among three sets of East-West disarmament negotiations the Kremlin broke off after the North Atlantic Treaty Organization deployed the first of a planned 572-medium-range nuclear missiles in Western Europe late last year.

Cabinet won't decide on Arab housing

Jerusalem Post Reporter

The cabinet will take decisions on the Arab refugee resettlement proposals drawn up by Minister without Portfolio Mordechai Ben-Porat only after various legal and financial aspects of the proposals have been studied in greater depth.

This emerged after yesterday morning's cabinet session, which devoted considerable time to discussing the proposals. These entail building permanent housing for the refugees to replace their present camps, on the same site in some cases, and on new sites in others.

Funding for the programme would have to come from non-Israeli sources.

One of various legal implications of the programme concerns the ownership of the land where the camps are and where the housing projects would be constructed.

A senior government official commented last night that the Ben-Porat proposals have already provoked objections from Jordan which feels that the refugees now living on the West Bank must not be housed permanently there, since they originate from localities inside Israel proper.

HOME AND WORLD NEWS

Engineers begin series of strike actions

Jerusalem Post Reporters

Labour unrest continued to spread yesterday, with the 3,500 engineers at Israel Aircraft Industries staying off work for the day in support of their demand for a new wage scale. The 2,000 railmen and the Defence Ministry staff works committees vowed to take any necessary measures to force management to give in to their wage demands.

Yesterday's aircraft engineers' strike was the first of several planned by the Engineers Union, according to union secretary Yitzhak Raz.

Raz said that in a few days engineers employed in "one of the big sectors" will strike. But he did not specify which sector.

The IAI engineers are due back today but will work only until 3 p.m. As a rule they work until 5 p.m. and those involved in the Lav project work overtime. Raz said. They work a five-day week.

The engineers want their wage scale to take into account their education, duties and success at work.

The rail strike, now in its second week, has stopped all goods and passenger trains throughout the country, causing great losses to the Negev phosphate mines which send their products by rail to Ashdod harbour for export.

The mines' losses reportedly amount to \$1 million daily, and using trucks as replacements has only helped move part of the phosphates to the port, at a considerably higher cost.

At mass meetings in Haifa and Lod the railmen, who want a 30 per cent rise plus upgrading, resolved to carry on their strike despite the losses they are causing to the economy. In fact, they upped their demands, asking for recognition as "production workers" and for strike pay as conditions for returning to work.

The rail strike has marginally affected Haifa Port's general cargo operations. But the Dagon Port silo has been badly hit as Dagon ships half of its daily inland delivery — 10,000 tons of grain — by rail.

Defence Ministry disruptions over the past few weeks have cost the government some IS1 billion in interest on delayed payments to suppliers.

Military equipment has been left unclaimed in ports, and no new contracts, regardless of their urgency, have been processed.

All trips abroad have been frozen (apart from special dispensation given the team that left for the strategic cooperation talks on Saturday night), and the public are not being admitted to ministry offices.

Haim Oman, chairman of the staff committee, said on Israel Radio yesterday that both the defence and finance ministers have been totally unresponsive to workers' demands. Though Finance Minister Yigal Cohen-Orad came to the ministry on Thursday night to speak directly to the workers, the staff feel that the visit was a ploy to get them to sanction the director-general's trip to Washington, rather than an attempt to resolve the wages problem.

(Compiled from reports by Joshua Brilliant, Ya'acov Friedler and Hersh Goodman.)

The Likud faction in the Histadrut argued that retrenchment was unavoidable. Israel relies on U.S. aid and residents "cannot live as well as we'd like when workers in the U.S. are unemployed or live below the poverty line and when the American government is demanding that we reduce our standard of living," said Daniel Nahmani, co-chairman of the Likud faction.

People who are well off must give up something, he continued, "and the government must stop printing money. If it continues printing inflation will keep rising," he said. The wage structure must be changed, via consultations between the Histadrut, the government and the private employer, Nahmani added.

The Democratic Front for Peace and Equality, nonetheless, advocated a general, country-wide strike.

The executive finally endorsed the Central Committee's proposal which said that "at present, in view of the government's social and economic policy which harms the weak, the basic conditions for a package deal in the economy have not been created."

The executive, however, demanded agreements on wages for the next few months until the new wage and cost of living agreements for 1984-5 are concluded.

No package deal as yet, Histadrut says

By JOSHUA BRILLIANT

Jerusalem Post Reporter

TEL AVIV. — The Histadrut yesterday slightly softened its opposition to a package deal with the government and the private employers. The labour federation's preconditions for such a deal, however, seemed tough to most observers.

Histadrut Secretary-General Yehoshua Meshel called on Finance Minister Yigal Cohen-Orad to repeal his recent measures which "artificially and arbitrarily led to an erosion of workers' pay" before any agreement could be discussed.

Following pressure from the Likud faction in the labour federation and prodding by some members of the Labour Party, the Histadrut leadership expressed readiness — in principle — to enter into a deal with the government and the employers to aid the economy. But it added that conditions were not ripe as yet for a deal with the present government.

The change in position was made at yesterday's meeting of the Histadrut Executive, convened at the Likud's request. Prior to the meeting Meshel had repeatedly said he opposed a package deal with the government because such a deal implied a wide-ranging social contract.

Before he went to the January 10 meeting on economic affairs with Cohen-Orad and Eli Hurwitz, chairman of the Coordinating Bureau of Economic Organizations, Meshel's close aides made it clear that the secretary-general would not allow the talks to shift to the topic of a package deal. The joint statement issued after the meeting refrained from any mention of the deal.

By yesterday, however, the Histadrut was in pains to prove there was no basis for Industry Minister Gideon Pat's claims that the labour federation was trying to create chaos in the economy to topple the government. Inside the Alignment faction in the Histadrut there had been some pressure to set conditions for joining a package deal if only as a tactical move.

Among the preconditions demanded by the Histadrut were that the cost of living allowance be updated every month, income tax brackets and child allowances be corrected concurrently, and the minimum wage be set at half the average wage in the economy.

There should also be a new 15 per cent income tax bracket, child allowances should be kept at 5 per cent of the average wage, old age pensions should be raised and cuts in social services, especially in health, education and housing should be abolished.

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Firefighters work with special equipment to get Michael Kroll out of his car after an accident yesterday near Givat Olga. (Yariv Levin)

Three killed in Gaza road mishap

Three persons were killed and two were severely injured early yesterday morning on the Gaza-Deir el-Balah road. A taxi travelling north evidently tried to pass a truck but then decided to pull back. However, the vehicle hit the truck and overturned.

Dead are the taxi driver, Hassan Suri, 50; Rashid Kurdia, 50; and Farhan Abu Muhsein, 34. The two other occupants were taken to the government hospital in Gaza.

In East Jerusalem, a 70-year-old pedestrian was killed at about 11:25 a.m. Saturday when she was struck by a truck at the corner of Al-Zahara and Al-Rashid streets. Police are seeking witnesses.

Michael Kroll, a 43-year-old Nahariya resident, was severely injured yesterday morning in an accident on the coastal road near Givat Olga. A truck used to haul oranges was stopped on the side of the road, when it was evidently struck from behind by the Kroll car.

Firefighters from Hadera struggled with special equipment for two hours to get Kroll out of the car. He was taken to the hospital in Hadera. (Itim)

Two men ordered held in grenade incident

TEL AVIV (Itim). — Muhammad Kundos and Muhammad Akila were ordered remanded in custody for three days yesterday by Magistrate's Court here in connection with an incident last week in which a hand grenade was thrown at the house of Abed Kabob, chairman of the Muslim Trust in Jaffa.

Police said the grenade was thrown from among a group of people outside the house. The blast did not cause any damage.

Other suspects held in connection with the grenade attack were ordered freed because of lack of evidence.

Jumblatt: Fighting to go on until Jemayel leaves post

AMMAN (Reuters). — Lebanese Druse leader Walid Jumblatt was quoted yesterday as saying fighting in Lebanon would continue until President Amin Jemayel leaves office.

"We will not stop fighting this time unless and until the Jemayel government resigns, even if that means the complete destruction of Lebanon," the English-language daily *Jordan Times* quoted him as saying in the interview.

The interview was apparently given before Jumblatt, who visited Moscow last week, left Jordan on Saturday, probably for Syria.

Fighting erupted again last night between the Lebanese Army and anti-government militias in Beirut's southern suburbs. Lebanese security sources said.

They said heavy and light weapons were used in the clashes around the suburbs and slums inhabited by Shi'ite Muslims.

There was no information on casualties but the Christian Pithagist radio said a woman civilian and a soldier were wounded.

Other traditional trouble spots were reported quiet, and there was no repetition of Saturday's shelling in which the presidential palace was damaged.

But American F-14 Tomcat jets flew over the capital, apparently on reconnaissance flights over Syrian positions in the mountains. Israeli jets were also in the skies over southern Lebanon.

'CUT OR QUIT'

(Continued from Page One)

measures designed to restore economic growth. Those measures could not be taken, he said, without the initial painful step.

The general feeling among the Likud ministers was that their own faction must demonstrate more solidarity, more self-discipline and more readiness for sacrifice than its coalition allies, the National Religious Party and Tami. They also felt that the NRP and Tami were exploiting the Likud's paramount interest in keeping the coalition ship afloat whatever happens.

Shamir said that Arens would be free to come back to the cabinet at any time during the year, if economic conditions worsened. He could then request a supplementary defence budget to match the new circumstances.

Shamir also said that the cabinet would meet next week to discuss measures of a broader scope aimed at improving the economy.

The general feeling in the cabinet yesterday was that if Education Minister Zevulun Hammer did not agree to the full cut demanded by Cohen-Orad, a compromise would be sought to split the difference, which is only some IS1b. If necessary, part of the difference would be taken from the budget reserve, they believed.

Ministers said last night that Tami would continue to squawk about intolerable budget cuts, but would not walk out of the coalition. The Social Affairs Ministry had been allocated the lowest cut of all, ministers told *The Post*.

Hammer, who did not attend the cabinet because he is not yet working a full day following a heart attack last year, will finalize his ministry's cut later this week.

Yeshiva can't appeal demolition order

By MICHAEL EIDAN

Jerusalem Post Reporter

The Supreme Court yesterday denied the Birkat Avraham Yeshiva, in the Moslem Quarter of the Old City of Jerusalem, permission to appeal against a demolition order issued against illegal building in the yeshiva.

Birkat Avraham's self-styled patron Avraham Dwek fought an administrative demolition order issued by the Jerusalem Municipality up to the Supreme Court. But the president of the court, Justice Meir Shamgar, denied Dwek permission to argue again before the Supreme Court. Shamgar found that the lower courts' reasons for upholding the demolition order were valid.

The Jerusalem Municipality has 30 days in which it can legally wreck the room built by the yeshiva on its third storey. A city wrecking crew will probably do the job within the next few days.

TEL AVIV (Itim). — The prosecution yesterday charged in its closing statement in Tel Aviv District Court that Henri Eicholtzer, charged with spying for the Fatah, was an intelligent man who deliberately and professionally spied for a terrorist organization.

Sharon will support government—but will Tami?

By SARAH HONIG
Post Political Reporter

TEL AVIV — One coalition suspense story ended yesterday when Minister without Portfolio Ariel Sharon announced that he will vote with the government on Wednesday's no-confidence motion. The three Tami MKs, however, are still not divulging their intentions.

Sharon took several steps yesterday to tone down his confrontation with Prime Minister Yitzhak Shamir and much of the coalition. He started by stating that he will come to the Knesset on Wednesday and that he will support the government when the Alignment's no-confidence motion is put to the vote.

Sharon said that though he had planned to leave for the U.S. tomorrow, he will postpone his trip to take part in the vote, "because of the danger in which the coalition finds itself."

Sharon pointed out that he had appointments scheduled in the U.S. tomorrow, thus professing himself as concerned about the government's future and making sacrifices for it.

A second move by Sharon, which was seen as significant, was his attempt to play down his confrontation with the prime minister. Sharon had refused to enter the Knesset plenum last week, causing the coalition to lose several times in close votes. Sharon argued that these were not intentional absences geared to "punish" the government, but that they "resulted from a coincidence of circumstances, which was entirely unintentional."

Although few of his colleagues in Herut were convinced that the absences were unintentional, they were relieved to hear Sharon attempt to present them as such. This, they said, was an effort on his part to defuse the situation, and because of the coalition's narrow lead, they said this was welcome news in the coalition.

Likud MKs recalled that last week Sharon was in the Knesset building but refused, despite being repeatedly implored, to enter the plenum and vote. Nevertheless, his conciliatory noises brought about a sense of relief in the coalition.

Finally, the fact that Sharon showed up for the cabinet session yesterday, took part in the proceedings and stayed for the Likud ministers caucus is seen as a further sign that Sharon is seeking to paper over the acrimony of the recent two weeks, inspired by Sharon being voted down for a Herut seat on the World Zionist Organization Executive.

Sources in the Likud estimate that Sharon, after some reflection, realized that he had gone too far in his criticism of his colleagues and was driving himself into deeper political isolation than he had ever experienced. It was noted that even his most ardent Herut supporters, such as MK David Magen, were displeased, and that he was severely taken to task by Tzviya Geula Cohen. This meant that he could not even count on the Tzviya as a last resort political refuge.

In addition, there has been a clamour in Herut that he be dismissed from the cabinet if he did not vote with the government. Several

MKs called on Shamir to sack him if he does not show up for Wednesday's vote, and yesterday Liberal MK Pinhas Goldstein said Sharon could not continue to serve in the cabinet if he demonstrated his own no-confidence in the government. All this is thought to have mollified Sharon.

Sharon will not be the only MK to postpone travel plans. Many MKs on both sides of the house are putting off their departures and others are being ordered home ahead of schedule as the major parties are recruiting all members for Wednesday's vote. Government sources repeated yesterday that former prime minister Menachem Begin might end his long seclusion and vote with the government, in case it cannot otherwise muster a majority.

But the big riddle remains Tami. Its three MKs are keeping both sides of the house guessing, while bluntly stating that their vote hinges on just how far the Treasury is willing to meet their demands.

The demands include a higher tax threshold for low-income earners, increased child-allowance payments and a minimum-wage law. The first demand is regarded as particularly thorny, since the Treasury says that tax brackets cannot be changed for one income group alone. It is not known if Tami will insist on whether the demand was made as a pretext for bolting the coalition.

Tami leaders are expected to meet Finance Minister Yigal Cohen-Orgad today. A meeting last Thursday was inconclusive.



Leonard Goldfine, of Philadelphia, looks at a photograph in Yad Vashem, which was taken shortly after the liberation of 1,000 slave labourers in Gandelgen, Germany in May 1945. Goldfine, who attended the Israel Bond International Leadership Conference, was a lieutenant with the U.S. Ninth Army when the picture was taken. Goldfine's unit stopped Nazi troops from burning the labourers alive. (Fuchs)

Direct phone links to Bonn set up for Kohl visit

Jerusalem Post Reporter

The Communications Ministry has set up a communications network in a number of hotels and other locations to serve the entourage of West German Chancellor Helmut Kohl, who arrives tomorrow.

The King David Hotel in Jerusalem, where Kohl will stay, has had direct telephone links to the Chancellor's Office in Bonn installed, and the connection can be made without dialling. Scores of international direct-dialling lines have been set up in the Jerusalem Plaza Hotel, the Prime Minister's Office, the Kibbutz Ginossar guest house and Ben-Gurion Airport.

Telex lines for journalists covering the visit, including 85 West German reporters arriving today, have also been installed, and the Government Press Office has received staff help from other offices. Technicians will be on call around the clock to ensure that the lines remain open.

Burg rapped for 'press extravaganza' in Grunzweig case

By ROBERT ROSENBERG and DAVID RICHARDSON

Jerusalem Post Reporters

Police sources in Jerusalem yesterday accused Interior Minister Yosef Burg of over-dramatizing the press conference on Friday when Yona Avrusimhi was named as the suspect in the grenade attack that killed Peace Now activist Emil Grunzweig last February 10.

The sources, some close to the investigation, referred to "the embarrassing extravaganza," and said that while an "enthusiastic expression of appreciation" for the police was appropriate, the press conference was undignified.

Burg, who is responsible for the police, yesterday afternoon held a short reception in his office for the nearly 30 policemen and policewomen who worked on the case throughout the year. The press was banned.

One senior officer said that "it might have been more dignified — and surely more effective — to wait

until there was an indictment before calling in the press."

But Nitzav Yehoshua Carthy, the head of criminal investigation for the national police, told *The Jerusalem Post* on Friday after the conference that the police felt they were unable to preserve any longer the week-long secret of Avrusimhi's arrest and remain in custody.

"It was going to leak, I'm sure, and that would have been terribly embarrassing," Carthy said. "It wouldn't have been fair to the press, and to the public," if a full story was not reported right from the start, he said.

High-ranking legal authorities, meanwhile, yesterday expressed "discomfort" with the press conference. The sources, some of whom have seen the material that the police have against Avrusimhi and David Shemtov, who is suspected of supplying the grenade, said that while they were convinced that the police had "done their job," Inspector-General Rav-Nitzav Arye Yitzan had "gone overboard" by naming the suspects.

The sources also said there was some exaggeration to the report that Attorney-General Yitzhak Zamir had already authorized preparation of an indictment against Avrusimhi. Zamir on Saturday night told *The Post* that he had not been given the material in the case and that he did not expect the police to finish their investigation "for at least several more days."

S.Z. Feller, professor of criminal law at the Hebrew University, last night accused the police and Burg of deliberately trying to obscure their responsibility in the creation of the atmosphere surrounding the Peace Now march last February in which Grunzweig was murdered.

Feller also condemned what he termed "the festival" surrounding the announcement of the arrest of Avrusimhi. There was nothing wrong with publishing the fact of the arrest itself and it was obvious that the response to that publication would reflect the amount of public interest in the case, he said.

"Beyond that, I am sure that the

publication was intended to serve interests outside the case itself," he said. "For Burg it was important to stress that there was no group or organization behind the incident. The police needed to emphasize that they had not been lax in trying to find the murderer because of their own or the minister's political views."

Feller said that this "self-righteousness" was intended to obscure Burg's and the police's role in contributing to the atmosphere preceding the murder and the failure to protect Peace Now. "Where were the police during that violent demonstration when the marchers were stoned, spat on and had cigarettes extinguished on their bodies? Burg himself termed Peace Now a 'fifth column'," he said.

On narrow legal grounds Feller did not fault the publication under the *sub judice* rules since Israel does not have a jury system. The accused will appear before a panel of judges who are, it is held, not influenced by the press.

TA Municipality won't file suit over museum building

By MICHAEL YUDELMAN

Jerusalem Post Reporter

TEL AVIV — The Municipality has decided not to proceed with the suit against illegal building at Ha'aretz Museum based on material presented by City Engineer Shmuel Penn, the city's legal adviser, *The Jerusalem Post* learned yesterday.

City spokesman Roni Rimon said the city will not file suit against Ha'aretz Museum director Rehavam Ze'evi over illegal construction. Rimon said the legal department had decided not to act on the material transferred to it by the city engineer.

City legal adviser David Talmor said the city files 100 to 150 legal suits against illegal building and construction violations every month. Talmor said he received the legal suit from the city engineer concerning the Museum only on December 30, (the day on which *The Post* exposed the illegal building going on at the museum). Since Mayor Shlomo Lahat ordered the cessation of all construction the following day, Talmor said, he decided to drop the suit.

But Penn, when asked to comment on the illegal building in the museum on December 29, said that material for the suit against the illegal building had already been presented to the legal department.

In a conversation with reporters last Thursday, Lahat took responsibility for the illegal construction at the museum, and said that neither he nor Ze'evi "realized" there was no permit for the construction as required by law.

Phone calls, Telex up

TEL AVIV — The price of international telephone calls and Telex messages went up by 14.85 per cent as of yesterday as a result of the continuing devaluation of the shekel, the Communications Ministry announced.

Bridge over Jordan to close for a month

The Adam Bridge over the Jordan River will be closed on Thursday for a month while repair work is done. (Iim)

Injunction against Studention handbill

Jerusalem Post Staff

The Tel Aviv Magistrates Court has issued an injunction against the Likud-affiliated student organization, at Tel Aviv University, prohibiting members from distributing a handbill containing charges against leaders of the university's student union.

Studention, which had controlled the union for six years, last year was voted out of office and replaced by a coalition of centre and left-wing student representatives.

The handbill, signed Studention, charges the present leadership with violence, corruption, encouragement of enemies of Israel. The handbill states that at a union council meeting, a Labour Party representative student said: "Begin

should have died two years ago" and a member of Studention, a left-wing student group, said, "The State of Israel is an organization for killing Arabs." According to the handbill, the deputy chairperson of the union said: "Palestine will be liberated."

The heads of the union asked the court to issue an injunction and sued Studention for IS1 million in damages. Those being sued are the heads of the Likud on campus — Gil Samsonov, Yohai Amiel, Gad Dagan and Yitzhak Duanas.

Last year's defeat of the Likud-affiliated student group on campus came shortly after a number of its leaders were charged by police with corruption and mismanagement of student union funds.

Shemesh: 'Not guilty' in Nitzan murder

TEL AVIV (Iim). — Ya'acov Shemesh yesterday pleaded not guilty to charges of murdering Ramle Prison official Ronnie Nitzan and Kerem Or guard David Ashuri three years ago.

Shemesh is on trial for both crimes, along with Herzl Avitan, in the Tel Aviv District Court. A third man, Amnon David, is also charged in the Kerem Or guard killing.

Cross-examined yesterday by his lawyer, Uriel Einav, Shemesh yesterday denied any part in the murder of Nitzan in Rishon LeZion on December 13, 1981 and of Ashuri at the Kerem Or jewelry plant on January 14, 1982. Shemesh said he was in Ashdod when Nitzan

was killed.

Shemesh said that a month before Nitzan was murdered, he escaped from police custody in the Abu Kabir lock-up and hid out in a Tel Gibborim flat with Avitan and Orit Arviv. He later moved to Bat Yam, and then to a flat in Ashdod, owned by his friend Eli Abutbul. He said he was in Abutbul's flat when Nitzan was gunned down outside his home.

During the Kerem Or robbery-murder, Shemesh said, he was with his girlfriend in Tel Aviv.

Shemesh said that a week after the Kerem Or killing, Moshe Cohen, the state witness at the trial, confessed to him that he and some friends had committed the robbery-killing.

Kibbutzniks demand IDF withdrawal

Jerusalem Post Reporter

The third in a series of kibbutz demonstrations against the Israel Defence Force presence in Lebanon took place yesterday in Jerusalem.

Some 200 demonstrators from Kibbutz Ein Hashofet and other kibbutzim called for the immediate withdrawal of Israeli troops from Lebanon, and for a freeze on settlements over the Green Line.

They also planted 85 saplings donated by Ein Hashofet in the

Emil Grunzweig memorial garden opposite the Prime Minister's Office.

MK Victor Shemtov (Mapam) and former MK Arye Eliav attended the rally.

Kibbutz Nir Oz sponsored the first rally a month ago and it was followed by a rally sponsored by Kibbutz Negba. Each Sunday members of another kibbutz will demonstrate in Jerusalem, according to the organizers of yesterday's rally.

Casino builder gambles on border peace

By YA'ACOV FRIEDLER

Jerusalem Post Reporter

METULLA — A multi-million dollar gamble on peace, in the form of a casino hotel, is taking shape on the Lebanese side of the border near here.

The nine-story hotel, two of them underground, was started over a year ago by a Lebanese entrepreneur and is due for completion next year.

It will have 70 rooms, with a casino on one of the underground

floors, *The Jerusalem Post* was told.

The hotel is about 20 metres inside Lebanon. The builder, Muhamed Burro, hopes that the situation at the time the hotel is completed will permit Israelis to come across and try their luck at the tables. If necessary, he envisages a short bridge from the Metulla side, to enable people to come from Israel without technically crossing the border, thus eliminating the formalities.

He hopes to attract guests from

Saudi Arabia and the Gulf states.

He hopes that they will prefer the anonymity of Southern Lebanon to the limelight of Beirut for their nights out, with the added attraction of being able to satisfy their curiosity to see Israel, without entering it.

Burro said he has talked with Israeli and international parties regarding cooperation in running the hotel and casino, provided the border remains peaceful.

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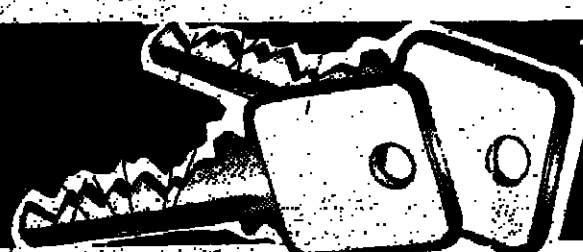
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ARE YOU DISSATISFIED WITH THE PRESENT GOVERNMENT?

Greater Tel Aviv KADIMA will hold an organizing meeting on Wednesday, January 25, 8.00 p.m. at Hamlin House, 30 Weizmann Street, Tel Aviv. Join us to work together... To set our goals to create a group of English-speaking citizens who believe in an Israel different from the one we have today!!

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Hundreds said killed in Moroccan food riots

RABAT (AP). — Scores of demonstrators were killed when troops and police put down riots in the past few days in the major towns of northern Morocco, diplomatic sources reported yesterday.

The diplomats, insisting on anonymity, said they did not have even "an approximate estimate" of the total number of casualties in the disturbances reported from Tetouan, Alhucemas, Nador, Tangier and other towns in the Spanish-influenced region.

Spanish news media were apparently well informed on the events, however, reporting upwards of 200 people killed. The Moroccan government imposed a total news blackout on the events, refusing any official statement.

But King Hassan II was to address the nation on radio and television last night, ostensibly to report on the Islamic summit meeting that ended in Casablanca on Friday. Officials said he would probably make the first official comment on the riots.

They apparently were caused by

rumours of increases in food prices and school examination fees. The latter action was officially denied yesterday.

Food-price riots which started December 29, lasted a week in Tunisia, with more than 80 demonstrators killed.

Madrid's national radio reported yesterday that between 150 and 200 demonstrators were killed and many others wounded in the Moroccan outburst.

The Spanish news agency EFE, quoting travellers in the Spanish enclave Melilla on the Moroccan coast, said Saturday there were reports of more than 100 deaths in Alhucemas alone. It is a fishing town half-way between Melilla and Tangier.

Spanish, French, Italian, Belgian and American newsmen were ordered out of the country, and the Communist daily *Al Bayan* (The Manifesto) was seized by the authorities early yesterday, apparently for its references to the disturbances.

Thatcher praises Reagan's 'change' towards Soviets

NEW YORK (AP). — President Ronald Reagan's latest speech on U.S.-Soviet relations represents an "important change" in attitude toward the Soviet Union, British Prime Minister Margaret Thatcher was quoted as saying yesterday.

Her remarks were carried in an interview with *The New York Times* conducted on Friday and featured in yesterday's editions.

On Lebanon, Thatcher said that "you can't have your multi-national force (of British, French, Italian and American troops) in there indefinitely."

But at the same time she stressed that she "would like the four of us to try to support (Lebanese) President (Amin) Gemayel in his efforts to get a government of reconciliation with his army behind it."

However, she added, Syrian agreement is also necessary.

Referring to Reagan's conciliatory speech in Washington last Monday, Thatcher said that "the important thing is that you simply must make an effort the more to understand one another, and secondly, if, as the president wishes, and as all Europe wishes, you want to get down the tremendous expenditure on armament, then you can only do it if you both agree to it."

Reagan called on the Soviet Union to return to the arms limitation negotiations that they left after the first U.S. cruise missiles arrived at destinations in Western Europe.

The prime minister reaffirmed her strong opposition to the sending of U.S. troops into Grenada earlier last year.

"You do not, in my strong feeling, use force" against another country, unless there is an "overwhelming case," she told the paper.

Thatcher said she believed the British and U.S. citizens there "were safe" — thereby making the invasion unnecessary at that time. And she indicated that the action weakened her position in her efforts to get U.S. cruise missiles deployed, because it stirred up anti-U.S. sentiment in that country.

Walesa mum on talks with Glomp

GDANSK (AP). — Polish labour leader Lech Walesa met for 20 minutes yesterday with Cardinal Jozef Glomp, the country's Roman Catholic primate, who returned last week from the Vatican where he discussed Polish affairs with Pope John Paul II.

Walesa confirmed that he had met with Glomp, but refused to say anything further to reporters. Asked if the two men had discussed Poland's troubled political scene, he said: "Don't ask me questions like that."

Glomp travelled to Gdansk on Saturday night to attend a mass yesterday, marking the 25th anniversary of the consecration of Bishop Lech Kaczmarek in the Baltic port.

Glomp met with Walesa just before the mass, in a chancery adjacent to the huge 13th-century St. Mary's Cathedral.

"After the mass, the Nobel Peace Prize laureate walked with a half dozen aides to St. Brigid's church about 300 metres away."

Walesa was followed by about 300 Solidarity backers, who filled the air with cries of "Lech," and "Solidarity," and "down with the rises," a reference to food price hikes of about 10 per cent the government plans to impose on January 30.

'Executed' general insured for \$750,000

SAN ANTONIO (AP). — Reserve Maj.-Gen. Robert Ownby, who was found hanged at his Fort Sam Houston headquarters, had insured his life for \$750,000 with policies that prohibit payment in the case of suicide. *The San Antonio Light* reported Saturday.

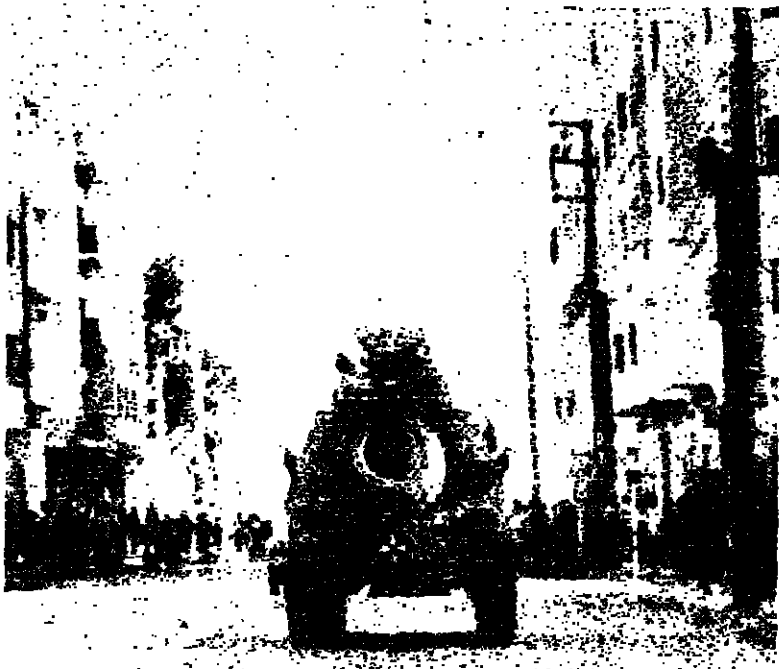
Death benefits would have been paid if authorities had believed Ownby was murdered by terrorists, as was suggested in a typewritten note found pinned to the general's sweater January 11.

The note said Ownby had been convicted, sentenced and executed for "crimes by the U.S. Army

against the people of the world." But Bexar County medical examiner Dr. Vincent Dimailo ruled last Thursday that the note was an elaborate ruse concocted by Ownby to cover his suicide.

The FBI found that Ownby committed suicide because of "serious financial problems," Dimailo said.

ZIONISM. — A hundred graduates of Young Leadership Institutes in South America organized by the World Zionist Organization's Continuing Generation and Volunteerism Department yesterday formally joined the Zionist movement at a ceremony in Tel Aviv.



Tanks roll through the eastern Moroccan city of Nador, scene of riots where scores of people were reported killed by the authorities. (UPI)

U.S. tests satellite killer: Missile fired from F-15

WASHINGTON (Reuters). — The U.S. has tested its first anti-satellite weapon as part of a new race with the Soviet Union for control of space.

The U.S. Air Force has been developing its satellite killer since 1978 and expects it to be fully operational later this decade after spending \$1.4 billion.

Air Force officials said the test Saturday was limited to a six-metre missile fired from an F-15 fighter. Later tests will include the weapon's final stage, a second missile designed to seek out and destroy Soviet satellites by impact.

The officials would not disclose whether the test in California was a success, but they did say a later test would include putting an object into

orbit around the earth to serve as a satellite for the killer missile.

A main purpose of the new weapon is to destroy surveillance or spy satellites. Arms control experts argued on the eve of test that the U.S. should hold back lest the development trigger a new arms race with the Soviet Union.

They argued that while a satellite killer developed by the Soviet Union had been tested some 20 times, it was not yet operational, and Washington should seek an arms control pact with Moscow rather than test its own system.

But defence officials said Soviet surveillance satellites, with ability to monitor the deployment of American and allied troops, were a threat and the U.S. had every right to try to knock them out of the sky.

Norway abuzz over spy scandal

OSLO (Reuters). — The arrest of the first high-ranking Norwegian official for spying for the Soviet Union has rocked the political and diplomatic establishment here and is bound to have serious implications for relations between the two countries, political sources said yesterday.

Politicians and diplomats reacted with shock and disbelief to the arrest on Friday of Arne Treholt, 41, a section head in the Norwegian foreign ministry, in what is widely considered to be the worst spy scandal since World War Two.

Treholt was arrested while on his way to a meeting with Soviet agents in Paris.

Attorney General Magnar Flornes said he was carrying classified documents and admitted to having handed over similar documents to members of the Soviet secret police on a number of occasions.

Treholt was junior minister for the law of the sea in the Labour government of Odvar Nordli in the mid-1970s and was prominent in negotiations with the Soviet Union regarding delimitation of the potentially oil-rich Barents Sea shelf.

Later he pursued a diplomatic career, and after attending the Norwegian defence college rejoined the foreign office in Oslo, where he was recently appointed head of section in the information department.

During all of this time he would have had access to classified documents and confidential briefings, although he was unlikely to have had access to material directly related to defence and NATO matters, the sources added.

Press report says Britain concedes on Hongkong

LONDON (AP). — British Prime Minister Margaret Thatcher has conceded in principle that China will have both sovereignty over Hongkong and control of the administration when the British lease expires in 1997, *The Sunday Times* reported.

The more than five million people of the colony will no longer have any British protection after June 30, 1997, said the report headlined: "Thatcher hands Hongkong to China."

A Foreign Office spokeswoman said they had no comment on the report.

Talks about the colony's future have been going on between Britain and China since 1982.

Chinese officials said last year that China plans to leave the social and economic system unchanged and allow local Chinese to administer the territory as a capitalist enclave within socialist China. The talks recently have dealt with how Hongkong's prosperity can be maintained after a Chinese takeover.

The unattributed report by Murray Sayle said the British concession of sovereignty and administration was offered to China last month, after the talks stalled on Britain's original demand to retain administration for an indefinite period after 1997.

Soviet spy Blunt left \$858,000 estate

LONDON (AP). — Anthony Blunt, who was permitted to remain the royal art adviser even after confessing to being a double agent for the Soviet Union, left an estate worth \$858,000, his lawyers said on Friday.

The bulk of the estate went to William Gackin, 63, who lives in the apartment he shared with Blunt until his death. Blunt died on March 26 at age 75. He left a total of \$13,500 to his two nieces, a friend and his apartment building porter, the London law firm Smees and Ford said in a statement.

Blunt confessed in 1964 to being a Soviet spy while working for the British counter-espionage service M15 during and after World War II, but was granted immunity in exchange for information about his colleagues.

Former archbishop of Malta dies at 98

VALLETTA (Reuters). — Monsignor Michael Gonzi, who headed the Roman Catholic Church here as the first archbishop of Malta until his retirement seven years ago, died early yesterday at age 98.

His death was announced in churches through the country during Sunday morning mass. The funeral will be held tomorrow.

U.S. said in secret talks with Angola, South Africa

LISBON (Reuters). — Portuguese state radio yesterday carried reports of secret talks in Cape Verde between U.S., Angolan and South African officials — despite an official American denial.

The radio said the talks on Sao Vicente island were apparently aimed at breaking the impasse over independence for Namibia (South West Africa) through a formula which could involve U.S. recognition of Angola.

It also broadcast a statement by the Cape Verde correspondent of the Portuguese news agency ANOP maintaining his version that U.S. deputy assistant secretary of state Frank Wisner was in Mindelo, 160 kilometres northwest of Praia, the capital, for the secret talks.

He said the Angolans were headed by Interior Minister Alexandre Rodrigues, but South African representation appeared to be at a lower level, possibly indicating observer status.

In Washington on Friday, Wisner was reported to have flown to Portugal and sources said he is due to have talks with Portuguese officials today or tomorrow. He is also to meet the U.S. ambassadors in Mozambique and Guinea-Bissau.

The same night, a State Department spokesman denied that the U.S. was holding talks with South Africa and Angola in Cape Verde.

In a first comment on the Sao Vicente reports, Cape Verde government radio quoted official sources as saying it was not up to them to comment on "speculation" or "to break the secrecy so important for the success of talks of this kind."

In Windhoek, South West Africa, meanwhile, the military said that South African troops killed four black nationalist guerrillas who had fled into Namibia from invading South African forces in southern Angola.

Soviet-backed Kabul regime claims victory over rebels

NEW DELHI (AP). — More than 100 anti-Marxist guerrillas were reported slain in Afghanistan on Saturday, and the Moscow-backed Kabul regime claimed its forces recaptured a strategic eastern district bordering Pakistan.

Afghanistan's official radio also reported that two factions of a Moslem fundamentalist rebel organization, the Hezbi Islami, clashed in southeastern Kandahar district over "booty" captured in a raid. Thirteen activists belonging to Gulbuddin Hekmatyar's group and seven from Mouhvi Younus Khalis were reported slain.

Hekmatyar, Afghanistan's best-known insurgent leader, and Khalis operate from Peshawar, Pakistan.

"Servants of America were wiped out from Urugun district in spite of the loud propaganda about their invincibility," the newscast quoted

Afghan Minister for Tribes and Nationalities, Sulaiman Layeq, as saying.

Urugun, in Paktya province, has important rebel supply routes from Pakistan to the provinces of Wardak, near Kabul, Ghazni, Kandahar, Zabul and Oruzgan. A massive quantity of weapons, some with U.S. and West German markings, were seized by Afghan government troops, the broadcast said. Among them were 13,702 anti-tank mines, 13 anti-aircraft guns and 47,000 rounds of anti-aircraft ammunition, it added.

An estimated 4,000 guerrillas had been battling Soviet and Afghan government troops in Urugun, said Saed Mohammad Maiwand, an Afghan leader in New Delhi. "The loss of Urugun is only temporary. The Mujahideen will recoup the district," he predicted.

Wounded Libya ambassador clinging to life in Rome

ROME (AP). — Libyan leader Muammar Gaddafi's ambassador to Italy battled for his life in a Rome hospital yesterday after two unidentified gunmen shot him in an ambush here on Saturday.

A caller to the London bureau of AP said the "Albarkan Organization" carried out the attack against Ammar Taggazy, but police in Rome said they had received no claims of responsibility. Italian investigators said they had "no firm leads" in the case.

Doctors at Rome's Umberto I hospital said the 43-year-old diplomat's condition remained "very serious" after two operations late Saturday. One of the three bullets that hit him was still in his brain, they said.

The caller to the AP's London bureau said the group was responsible "for executing the bloody ambassador of Gaddafi." He would not identify himself but said he was

speaking "on behalf of the Albarkan Organization." The group was unknown in London, Rome or Beirut. *Albarkan* is the Arabic word for volcano.

Italian news media speculated the shooting may have been a reprisal by followers of Imam Moussa Sadr, a leader of Lebanon's Shiite Moslems who disappeared after a visit to Libya in 1978.

A source in Italy's anti-terrorist police said the possibility the attack was linked to the missing imam was among a series of hypotheses being considered.

A dispatch attributed by Italian newspapers to Libya's official news agency JANA quoted "political sources in Rome" as suggesting followers of PLO chairman Yasser Arafat were behind the attack. But JANA officials contacted by telephone in Tripoli, London and Rome said they knew nothing of such a dispatch.

Baghdad 'may bomb' Iran's Swedish-built munitions plant

STOCKHOLM (AP). — Iraq has threatened to bomb a chemical plant, which officials say is capable of manufacturing some ingredients of explosives, that is being built by about 80 Swedish workers south of Teheran.

The Iraqi threat was delivered to the Swedish government on Saturday by Baghdad's charge d'affaires in Stockholm, Amer Nadjji. The envoy claimed in an interview with Swedish television that the unfinished plant, located at Isfahan in central Iran, would produce military material and said that unless the Swedes withdraw it would be bombed.

"Our information is that this industry will produce explosive material and munitions. We do not like the idea that Sweden is helping Iran with munitions, and Iraq will not be responsible therefore if the plant is bombed and the Swedish workers are endangered."

Sweden's Minister for Foreign Trade Carl Johan Aberg disputed the charges. He said, "Our ambassador to Baghdad has personally visited the plant and reported that it will produce only basic chemicals like sulphuric acid and ethanol for use in fertilizer, etc. However, a few of the liquids may be used for

production of explosives," Aberg said.

Experts here said some of the chemical liquids were ingredients for TNT, which is being made by a nearby Iranian plant.

Nadjji said that Iraqi fighter-bombers could reach the plant, and the threat was underscored by the fact that the Iraqis previously bombed a Japanese petrochemical plant at Abadan, killing several Japanese workers.

Sports

English power

WELLINGTON (AP). — England took command of the first cricket test yesterday when New Zealand, behind by 244 runs on the first innings, had lost two wickets for 93 runs at the close on the third day.

A partnership of 232 runs for the sixth wicket between Ian Botham (138) and Derek Randall (164) guided England from 115 for five to a first innings total of 463. Lance Cairns took 7 for 133. New Zealand made 219 in their first innings.

In Melbourne, the West Indies beat Australia by 26 runs in the Benson and Hedges World Series Cup match before a world record crowd at the Melbourne Cricket Ground.

Officials said 86,133 cricket fans watched Australia chase the West Indies 50-over total of six for 252, but Australia were all out for 226 in the 49th over.

Touring vice-captain Viv Richards, who hit 106 off 96 balls, including one six and 12 fours, in the West Indies innings, was named "Man of the Match."

Australia's leading scorer was skipper Kim Hughes with 71. Kepler Wessels made 60. Michael Holding was the West Indies' second-highest scorer with three for 35 off 9.5 overs.

The West Indies have now won five of their six matches in the qualifying series for a total of 10 points. Australia's two wins and one draw have earned five points, while Pakistan has one win and one draw from six matches for three points.

Six matches are left in the qualifying series with each of the three competing teams due to play the others twice.

Tennis final

By JACK LEON
Post Sports Reporter
TEL AVIV. — The Israel Tennis Association's 17th State Cup final takes place tomorrow at the Israel Tennis Centre in Jerusalem under the patronage of Mayor Teddy Kollek, making the first time that the annual event has been held in the capital. The match — starting at 2 p.m. — is a repeat of last year's final, with Maccabi Tzafon Tel Aviv defending their title against the strong challenge of 1983 national tennis league champions ASA Tel Aviv.

Six of the country's top 10 players will be seen in action in the final of the 25th year's competition, in which matches consist of two singles and one doubles. Favorites Maccabi Tzafon field top 5 juniors Amos Mansour, Menashe Tzur and Gilad Bloom, and ASA will be represented by David Cap, Richard Elan Shani and Yair Wertheimer, together with Ronni Myers and Oded Ya'akov.

While Tzafon are aiming to win the State Cup for the third time, ASA are still looking for their first success in the competition and will last year they had not even reached the final.

Since its inauguration by the ITA in 1966, the event has been dominated to a remarkable degree by the old Maccabi Tel Aviv club, which has captured the title no less than 13 times — leaving Hapoel Tel Aviv as the only other club to have won the trophy. Hapoel's Carmel Country Club have had the doubtful distinction of finishing as runner-up on seven occasions.

Bullets win

LANDOVER, Maryland (AP). — A three-point play by Rich Mahorn with 41 seconds remaining snapped a 88-88 tie as Washington defeated the Philadelphia 76ers 91-90 on Saturday night, ending the nine-game losing streak of the Bullets in a National Basketball Association game.

Elsewhere in the NBA it was Denver 126, Golden State 115; Portland 114, Kansas City 94, moving Portland back into first place in the Pacific Division, one game ahead of the Lakers; San Antonio 113 (Mike Mitchell 29, Artis Gilmore 23 points, 16 rebounds, 4 assists and 2 shots blocked), Los Angeles Lakers 108 (Bob McAdoo 30); Chicago 111, Cleveland 96; New Jersey 120, Detroit 103; Houston 115, Utah Jazz 105; Phoenix 131, Seattle 102; Atlanta 97, New York Knicks 85, Dallas 118, Indiana 111.

Super Bowl

Post Sports Staff
One hundred million Americans spent last night glued to their television sets during the telecast of the Super Bowl match between the Washington Redskins and the Los Angeles Raiders. Unfortunately, as the game was going on into the small hours of the morning, Israel time, the result was not known when *The Jerusalem Post* went to press. A full report will appear in tomorrow's paper.

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Registration will be held at the Israel Lands Administration Office, Industrial Zone, Upper Nazareth, on Sunday-Friday, 8.30 a.m.-12.30 p.m., and on Tuesday, 8.30-10.30 a.m. only. Registration will open at 9.00 a.m. on Tuesday, January 24, 1984 and close at 12 noon on Friday, February 10, 1984.

Additional particulars and a detailed prospectus are available at the above office of the Israel Lands Administration.

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Secretary of State
George P. Shultz:
"We are ready for negotiation
whenever the Soviet Union
is prepared."
Stockholm, Jan. 17

Straight Talk

ter working relationship" with the leaders in Moscow. Secretary of State George P. Shultz, at the Stockholm meeting, said he believed "pragmatic progress" was possible.

Foreign Minister Andrei A. Gromyko, who was also attending the East-West security conference, responded with a fiery denunciation of the Administration, but added, in carefully measured words, that Moscow was ready "to take necessary measures which would lead to a change for the better in the international situation."

A Necessary Meeting

He and Mr. Shultz then had a five-hour review of the whole fabric of Soviet-American relations. It produced no resolution of any of the outstanding issues, but was notable for its nonpolemical tone and the readiness by the two men to discuss at length their differences. Mr. Shultz called the meeting "worthwhile," and said that Mr. Gromyko had referred to it as a "necessary" meeting. They shook hands at the end of the meeting, the first comprehensive high-level review by the two countries in 15 months.

In short, it seemed as if the seeds had been planted for lessening tensions, but it was much too soon to tell if the effort would germinate during the spring and summer. Mr. Shultz, with his long experience in negotiations, believes that any improvement in relations will be slow, and incremental. Olof Palme, the Prime Minister of Sweden, who met with both Mr. Gromyko and Mr. Shultz, said he expected "a gradual melting" in East-West relations.

It has often been said that Soviet-American relations are more strained now than at any time since the Cold War. This is true, perhaps, but it is also misleading.

The two sides have propelled increasingly exaggerated rhetoric toward each other over the past few years. The Soviet-American negotiations on nuclear missile reductions have in effect been suspended by the Russians. There seems no area, even in tame fields such as cultural exchanges or trade, where visible cooperation has not ebbed. At the same time, relations are far from the danger points of years past. There is nothing resembling a Berlin problem, a Cuban missile crisis or even a confrontation over the Middle East that threatens to involve the superpowers. Nevertheless, it is widely agreed that it is dangerous for the Soviet Union and the United States to be so alienated from each other. The lack of concord between Moscow and Washington provokes fears, particularly in Europe, and has prompted a desire among NATO and Warsaw Pact foreign ministers to return to at least the atmosphere of détente.

For Moscow, President Reagan's decision to raise the discourse above the "evil empire" level forces im-

portant policy decisions at a time of uncertainty over how decisions are made these days with Yuri V. Andropov in questionable health. The leaders in the Kremlin must first decide whether Mr. Reagan is sincere when he says he wants real cooperation. Then they must try to determine whether working with him, and thereby enhancing his chances for reelection, will produce the results Moscow wants.

The Russians seem most interested in curbing deployment of the 572 new American medium-range missiles in Europe, which NATO has begun to install to counter the Soviet SS-20's pointed at Western Europe. After failing to stop the deployment by offering to cut their SS-20 total, the Russians walked out of the Geneva talks last November.

Mr. Shultz said last week that in his talks with Mr. Gromyko "we made no headway" toward bringing the Soviet Union back to the table, hardly a surprise given Moscow's previously stated refusal to return to the negotiations. Nevertheless, after discussing the talks with Mr. Shultz, President Reagan said the Stockholm meeting had helped reduce world tensions. Mr. Reagan also said Washington and its allies would soon propose "practical and concrete measures" to reduce the risk of war. British Prime Minister Margaret Thatcher promptly applauded his statement, saying it represented an "important change" in Western policy.

However, none of that addressed the Soviet Union's immediate concern with the new missiles pointed at it from Europe. The determination of NATO to proceed with deployment, in the absence of a negotiated limit, forces Moscow to decide whether to seek some way to resume talks that could produce a smaller number of American missiles than 572 in Europe, or to wait until the American elections are over and hope that a Democratic victor would follow a different policy. But Moscow must also consider that the decision to install the missiles was first reached by a Democrat, Jimmy Carter, and is not one that a new President could easily scrap.

Letting Moscow Play

To some students of Soviet policy, the Geneva walkout parallels past Soviet miscalculations. In 1948-49, the Kremlin imposed its blockade of Berlin and then had to engage in secret diplomacy to find a way to drop it in the face of allied determination.

In 1950 the Soviet Union walked out of the United Nations Security Council over its failure to seat Communist China, and then was unable to influence the West's decision to send a United Nations force to fight in Korea. Eventually, the Russians returned to the Council and through secret diplomacy helped bring about a cease-fire in Korea. There are many ways for Moscow to negotiate missile reductions, and Mr. Shultz began discussing some of them with Mr. Gromyko last week.

Another area where more cooperation is possible is in the so-called regional crises, where the Russians

have chips to play, if Washington lets them into the game. In the Middle East, Moscow has some influence on the Syrians and would be interested in negotiations that produced some sign that Washington would restrain the Israelis. The Afghan situation is one from which Moscow would presumably like to extricate itself under an international formula.

In southern Africa, the Russians would probably welcome some way of stabilizing the Angolan Government without committing more Soviet advisers and Cuban troops. But a solution might have to include a major withdrawal of those troops in return for the independence of Namibia.

Soviet-American relations in the trade, cultural and political areas have been largely frozen since the Soviet invasion of Afghanistan, except for Mr. Reagan's ending of curbs on grain exports. But to make any headway in these areas, there probably would have to be some serious discussions about resolving complaints on human rights, including measures to increase Jewish emigration well beyond the 1,000 a year it has reached now.

The Reagan Administration must also be willing to compromise. As Mr. Shultz said on his way home last week: "You cannot reach an agreement with somebody if it is in your interest but against their interest. So any agreement has to be something that people think is to their mutual advantage."



Foreign Minister
Andrei A. Gromyko:
"The United States
Administration
is dominating
international
relations of war
and acting
accordingly."
Stockholm, Jan. 17

If This Is a Thaw, Spring Could Be A Long Way Off

By BERNARD GWERTZMAN

WASHINGTON
IN Stockholm last week, one question dominated discussion among foreign ministers from the NATO and Warsaw Pact countries: Would there be a political thaw between the United States and the Soviet Union now that both sides had expressed, in their own ways, a readiness for better relations?

President Reagan, making his most conciliatory approach to the Soviet Union since his election, said in Washington last week that he was seeking a policy of "credible deterrence, peaceful competition and constructive cooperation," and wanted to establish "a bet-

ter working relationship" with the leaders in Moscow. Secretary of State George P. Shultz, at the Stockholm meeting, said he believed "pragmatic progress" was possible.

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Major News

In Summary

In Politics, To Be Ahead Is to Worry

Public opinion polls can have a way of unsettling a front-runner, especially when live voters have yet to cast a ballot. So Walter F. Mondale, stationed firmly at the head of the Democratic pack last week by the latest Gallup Poll, campaigned like an also-ran. The former Vice

President, who, according to the survey, has increased his lead over Senator John Glenn to 47 percent to 16 percent, lambasted the Reagan Administration's "assault on women's rights" and tiptoed around the issue of gun control.

In Iowa, where caucuses are to be held Feb. 20, and where six of the eight Democratic contenders debated agriculture policy yesterday, a Des Moines Register poll reported that Mr. Mondale was pulling away from Mr. Glenn fast. Another sur-

vey, a Washington Post-ABC News poll, added up to still more trouble on the launching pad; it said that in last Sunday's nationally televised debate in Hanover, N.H., Mr. Mondale appeared to have helped himself the most, the Senator the least.

For his part, Mr. Glenn discounted the polls as "extremely volatile." Aides maintained that nationwide surveys failed to account for the fact that their boss had been concentrating on New Hampshire and the nation's first primary on Feb. 28, and on the South and four primaries there on Mar. 13. (What the polls for sure didn't reflect was a dustup on commercials. Early in the week, the Glenn campaign withdrew spots that featured ostensibly typical voters giving a thumbs-up to the Senator's performance in Sunday's debate. The spots were pulled when it was

disclosed that the comments were recorded before the debate.)

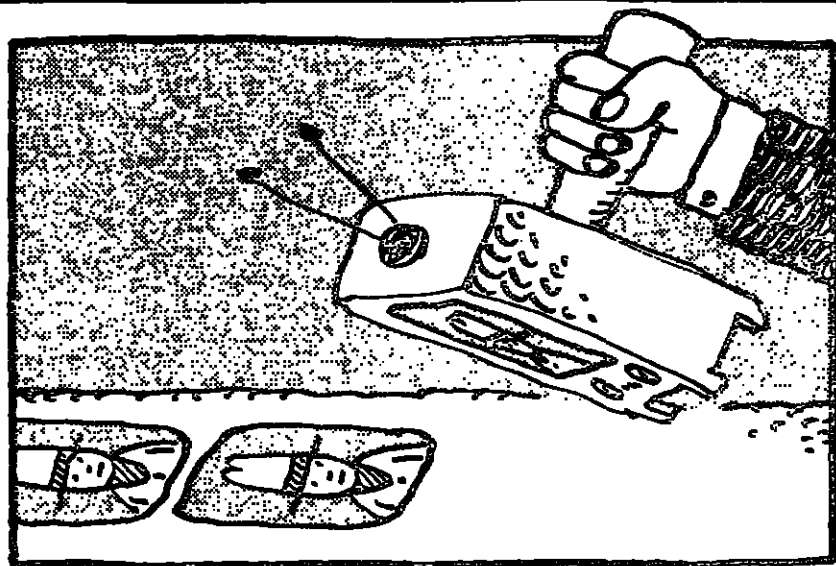
Jesse Jackson, who was ranked third in the latest Gallup Poll, saw no movement at all when, with the backing of Mr. Mondale, he asked the executive committee of the Democratic National Committee to correct what he called a "fundamental injustice" in the party's rules. The committee refused to take up his proposal to reduce the number of primary or caucus votes a candidate has to get to pick up convention delegates. An angry Mr. Jackson later complained that he had been confronted with a "stacked deck," but said he wouldn't bolt the party.

Meanwhile, a number of Administration officials involved in the 1980 campaign of President Reagan—who is due to disclose his re-election plans next Sunday—may have been spared a number of pointed questions. Representative Donald J. Albosta, a Democrat from Michigan, announced an indefinite postponement of hearings into how certain Carter Administration documents made their way to Mr. Reagan's 1980 campaign staff. Mr. Albosta said he wanted to avoid staging a "media extravaganza" that would be little more than a forum for "partisan bickering." Other sources said his inquiry had simply hit a dry hole.

Videotaping Without Guilt

In a classic case of law trying to keep pace with careering technology, the Supreme Court last week decided that the sale and personal use of home video recorders to copy television programs did not violate copyright regulations. The battle involved two corporate giants—Universal Pictures and the Sony Corporation—with huge financial stakes.

"Sound policy, as well as history, supports our consistent deference to Congress when major technological innovations alter the market for copyrighted material," wrote Associate Justice John Paul Stevens for



the 5-to-4 majority. The Court found that when Congress amended the copyright laws in 1976, it did not intend to impose a liability for non-commercial home video recording. The Copyright Act of 1976 did not mention home video, which might account for the Court's year-long deliberation. "It may well be that Congress will take a fresh look at this new technology," Justice Stevens said. "But it is not our job to apply laws that have not yet been written."

Citing surveys showing that most people use video recorders for

"time-shifting" (recording a program for viewing at a more convenient time), Justice Stevens said this practice fell within the "fair use" exception to copyright controls. Most previous decisions based on fair use, such as permitting photocopying of materials for classroom purposes, had involved reproduction of portions of copyrighted works for "productive" reasons.

"We don't tie down and die if we have another mile to run," said Sid Sheinberg, president of MCA Inc., Universal's parent company. Jack Valenti, president of the Motion Picture Association of America, said his organization would seek legislation levying a user fee on sales of video recorders and blank tapes. But Robert W. Kastenmeier, a Wisconsin Democrat who is chairman of the House subcommittee with jurisdiction over copyright law, said "Congress will not be disposed in light of the Court's decision to act."

Manufacturers of taping equipment said their victory would have little impact on sales, which have been booming despite the legal uncertainties. Sales of video recorders more than doubled between 1982 and 1983, to 4.2 million units. Sales of blank tapes soared from 24.7 million to 57 million over the same period.

A Friend and Victim of Lebanon

TO many of his Lebanese friends and students at the American University of Beirut, President Malcolm H. Kerr was "the best kind of American," as a professor said, "a friend of Lebanon, a friend of the Arabs and a friend of Islam." But to Arab assassins, the American educator was a symbol of a loathed foreign presence in Lebanon, and so he died last week with two bullets in his head. After the killing on a tranquil campus that had been spared much of the surrounding violence, a voice on the telephone explained to a news agency that Dr. Kerr had been "a victim of the American military presence in Lebanon."

The caller said Dr. Kerr was killed by agents of Islamic Holy War, a shadowy group that has claimed responsibility for attacks on embassy and military installations in which several hundred Frenchmen and Americans died last year. "The violence will contin-

ue," the caller added. "We vow that not a single American or Frenchman will remain on this soil."

American officials in Beirut tightened security precautions. President Reagan denounced the "despicable assassins." Dr. Kerr's death, he said, "must strengthen our resolve not to give in to the acts of terrorists." In New York, the American University's trustees vowed to continue its commitment to "education, reason and persuasive dialogue." Dr. Kerr's predecessor, David S. Dodge, was kidnapped in July 1982 and taken to Teheran; he was freed a year later after intervention by Syria.

The caller last week said that his people had also kidnapped and would kill the Saudi Arabian consul general, Hussein Farrash. The Saudis, Sunni Muslims who have been trying to mediate a Lebanese peace, have been reviled by Iranians and some other followers of the Shiite branch of Islam.



Dr. Malcolm H. Kerr at the American University of Beirut last year.

The World

Islamic Group Invites Egypt To Join Again

It required a break with tradition and some linguistic legerdemain, but in the end a determined majority at the Islamic Conference last week opened a door to Egypt that had been closed nearly five years. Over the heated objections of hard-line members, Egypt, which was expelled from the group when President Anwar el-Sadat signed the Camp David accords, was invited to rejoin.

The move was seen as an indication that most of the 42 Moslem states represented at the Morocco meeting were ready to inject a moderating influence into the Islamic community, which has lately been shaken by fundamentalist violence.

The language of the conference communiqué seemed to indicate that Egypt would have to go along with the conference consensus and repudiate its Camp David accords with Israel and the United States, as the hard-line states had demanded and Egyptian President Hosni Mubarak has consistently refused to do. But summit participants suggested privately that no mere words would be allowed to stand in Egypt's way.

The issue descended deeper into

States and Honduras of 40 violations of Nicaraguan waters and airspace since Jan. 1, including the flight of the helicopter whose American Army pilot was killed by Sandinistas when it was forced down near the border. Several thousand Honduran troops have been sent to Honduras for the announced purpose of bolstering the country militarily; others are there to train Government forces from neighboring El Salvador.

Their Salvadoran guerrilla foes have improved their fighting abilities, the State Department told Congress, while Government forces continue to suffer from command deficiencies. On human rights, the department reported "a significant increase in death squad activity" but said "important progress" had been made — civilian deaths fell to 104 a month in the last half of 1983. However, Americas Watch, a human rights group, said the State Department total was low. A Roman Catholic Church agency in San Salvador reported four times as many civilian deaths for the period.

The State Department also told Congress it could not have a report by an American jurist on the four American churchwomen killed in El Salvador three years ago. It said disclosure could adversely affect the trial of five Salvadoran National Guardsmen accused of the killings. Relatives and friends of the slain missionaries said they were entitled to see the report. In another Salvadoran murder case, after protests by United States labor and Government officials, the Salvadoran Army overruled plans to release Army Capt. Eduardo Alfonso Avila, a key witness in the 1981 killing of two American labor advisers.

Stern Standard For Nigerians

The generals will be watching as Nigeria's new Government struggles to curb what Maj. Gen. Mohammed Buhari, the new leader, called "the monstrous effects of a grossly mismanaged economy." Swearing in a Cabinet of 11 civilians and seven military officers, he warned last week that the Supreme Military Council "will keep a keen and watchful eye on your performance, your style of life."

"Fraud, indiscipline, corruption, squandermania, misuse and abuse of public office and other vices, which characterized the civilian administration of the past four years," he said, will not be tolerated.

It wasn't democracy that failed but "those who operated it," he added in an interview with The New York Times. The military will run things until such time as the Supreme Military Council decides "to ask Nigerians about whatever system they want," he said, and that may or may not be presidential or parliamentary democracy.

To deal with steep inflation, high unemployment and shrinking foreign currency reserves, Nigeria is asking fellow OPEC members to increase its oil production quota of 1.3 million barrels per day. It is also tightening import restrictions and will be negotiating with international agencies banks for debt relief.

China's Plan For Hong Kong

Dealing tenderly with a creature it hopes will keep on laying golden eggs, China last week proposed to make Hong Kong a semi-autonomous islet of capitalism — under the mainland's sovereignty but insulated from its bureaucrats. But there was no mention of an administrative role for Britain in keeping the colony's economy humming when its 99-year lease runs out in 1997.

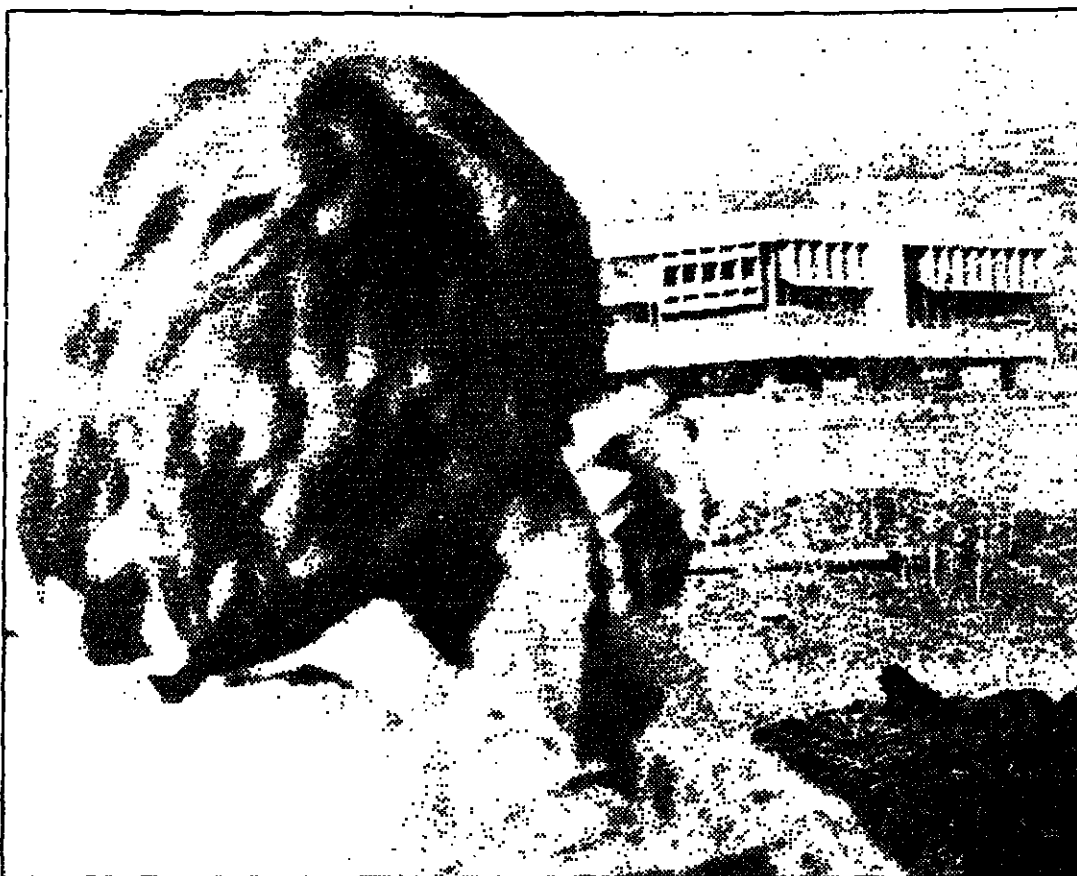
"The time is now ripe to solve this problem left over from history," Ji Pengfei, a senior Peking official, said. Talks with Britain were to resume this week. China has threatened to announce its own plans unilaterally if agreement is not reached by September.

Mr. Ji said Hong Kong would be a special administrative zone — a model for a reincorporated Taiwan, incidentally — with its own legislative and judicial powers. Some local officials would be elected, others appointed. The free port, stock market, gold exchange and the convertible Hong Kong dollar would be continued. Peking would be responsible for defense and foreign policy but Hong Kong could make its own worldwide economic and cultural deals. British and other foreign economic interests would be protected by law. Chinese Prime Minister Zhao Ziyang said in the United States that Hong Kong's system would survive intact for 50 years.

London had no comment on Mr. Ji's remarks. The Hong Kong dollar, which dropped nearly 37 percent in Peking-induced political jitters in September, held steady at 12.8 cents.

Milt Friedmanheim, Carlyle C. Douglas and Henry Gindger

On the Edge of Beirut, Syria Plays a Waiting Game



Shilte sniper aiming machine gun at Marine positions at the Lebanese University in Beirut.

Has the Calendar Run Out On the May 17 Agreement?

By THOMAS L. FRIEDMAN

BEIRUT, Lebanon — The May 17 Israel-Lebanon withdrawal agreement has become Lebanon's most prominent political orphan. Eight months after it was signed, it is virtually impossible to find a political figure of note in the country who will express public support for the accord. A senior Lebanese official said with a smile when asked about it recently, "What May 17 agreement?"

Instead of serving as a vehicle for the withdrawal of all foreign forces, officials in Beirut say, the May 17 accord has become one more obstacle to resolving Lebanon's many troubles. Even the Israelis have grudgingly come to recognize as much and are speaking about withdrawing from south Lebanon when their "security" can be assured, but without any reference to the May 17 agreement. It is not that the Israelis want to see the accord put aside, but they seem to be reluctantly admitting that if they wait for full implementation, they could be staying in Lebanon indefinitely.

Lebanese political analysts note that only the

Reagan Administration, which points to the May 17 accord as its one foreign policy "success," is still insisting that the Syrians and their Lebanese proxies will somehow be brought around to accepting it. Washington seems to be clinging to this notion despite the fact that every American-sponsored diplomatic effort at resolving the Lebanon conflict since September has foundered precisely because one side or another would not go along unless its conditions on the agreement were met. The British Foreign Secretary, Sir Geoffrey Howe, told reporters after his recent tour of the Middle East that he saw no chance for progress in Lebanon until the May 17 pact was abrogated.

The country, meanwhile, lurches from cease-fire to cease-fire, seeming to come apart a little more each day. The Lebanese pound regularly sinks to new lows, electricity has become a luxury that Beirut residents now enjoy only six or seven hours a day and the madness seems to engulf more and more innocent victims, as evidenced by last week's murder of Malcolm H. Kerr, the popular president of the American University of Beirut.

The meaning of the accord has been debated

ever since it was signed. It called for the withdrawal of all Israeli forces from south Lebanon in exchange for security arrangements to be established there to prevent the return of anti-Israeli guerrillas. It also outlined political and economic relationships that were intended to normalize ties between Lebanon and Israel. But the agreement was not implemented. Israel and the United States agreed in a side letter that Israeli troops would not have to pull out until Syrian and Palestinian forces also did so. At the time, this seemed to be a reasonable request by the Israelis. But it handed the Syrians a veto over the whole agreement, which they opposed in any case because it threatened to pull Lebanon away from Syria's orbit and closer to its enemies, Israel and Egypt, the Camp David signatories. The Syrians exercised their veto, the Israelis refused to go and the Lebanese Government declined to ratify the agreement. To do so, the Lebanese argued, would have sparked a conflict with Syria and a huge internal debate, all without the reward of troop withdrawal.

Since this left the accord frozen, American and Lebanese officials have been trying to persuade the Syrians to ignore it and go on to more pressing matters, consolidating the cease-fire and possibly enabling the American marines to make a dignified exit. But the Syrians seem unlikely to agree. The May 17 agreement has become a casualty of the basic, longstanding debate over what kind of country Lebanon should be, particularly in reference to the Arab-Israeli conflict.

Hostage to Artillery

From 1943 until 1967, Lebanon was able to remain largely neutral in regional conflicts. Then thousands of Palestinian guerrillas took up positions in Lebanon, changing the internal balance of power in favor of pan-Arab Moslem elements and against the pro-Western Christians. The new balance of power was consecrated in the 1969 Cairo accords, which gave the Palestinians the right to operate in south Lebanon against Israel.

The balance of power was reversed in June 1982 by the Israeli invasion, which drove the armed Palestinians out of south Lebanon and Beirut and enabled the Christian Phalangists to dominate the key positions of power. The Phalangists wanted to see Lebanon freed of many pan-Arab responsibilities and linked more closely with Israel. Their approach was crystallized in the May 17 agreement, which effectively nullified the Cairo accords. The Syrians and many Lebanese Moslems opposed the agreement at the time, but they were too weak to prevail.

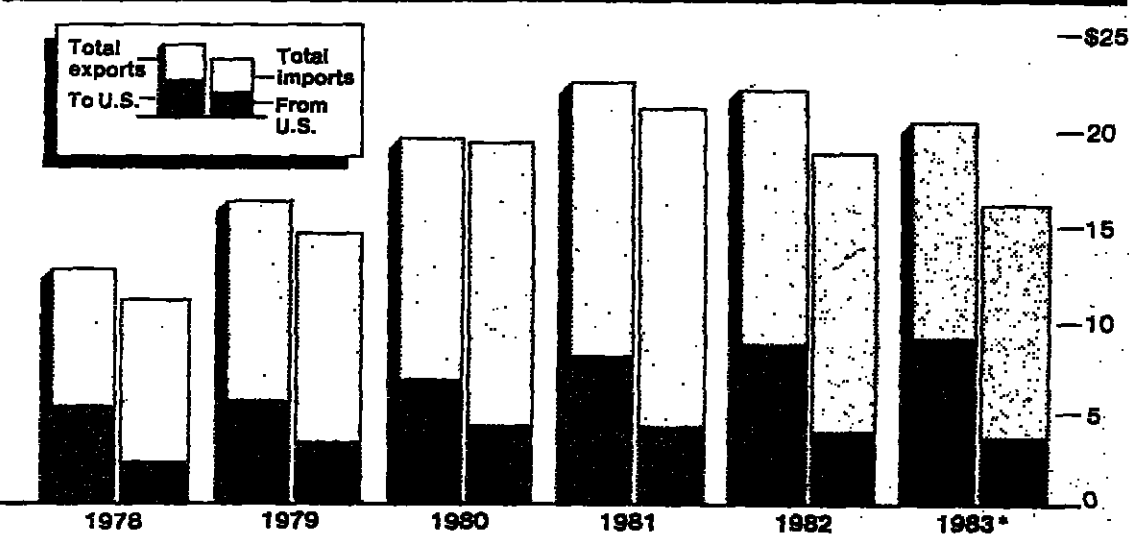
The agreement might have taken effect if the balance of power had not shifted again in September 1983, when the Israelis — who were preoccupied with their casualties — withdrew from the mountains around Beirut. This enabled the Syrians and their proxies to move back to the edges of the capital and to hold it hostage with their artillery.

Since then, the Syrians have been able to force their views on the May 17 agreement to the top of every discussion of solving the Lebanon conflict and to block progress on any point. With more and more Lebanese becoming convinced that the agreement is more trouble than it's worth, and with the Israelis talking about pulling out of Lebanon, with or without it, the Syrians seem to have much to gain and little to lose by continuing to play a patient waiting game.

Zhao Renewed His Call for a Reunified China Last Week

Taiwan Fends for Itself, and Then Some

Taiwan's favorable trade balance



*First 10 months; estimates are that for all of 1983 Taiwan will show a trade surplus of more than \$8 billion vs. U.S. Source: Department of Commerce

By CHRISTOPHER S. WREN

TAIPEI, Taiwan — When the United States decided in 1979 to break relations with the Republic of China on Taiwan and to establish diplomatic ties with the People's Republic of China on the mainland, the stunned Nationalist Government got barely eight hours' warning. "Five years ago, we felt very much angered and upset, not necessarily frightened, because we were sure of our economic power," recalled John Chang, a senior Foreign Ministry official. "We had been allies and we had been kept in the dark."

The expectation in Peking was that Taiwan would be so demoralized by the loss of United States recognition and by its deepening isolation in the world that it might consider China's terms for reunification.

Chinese Prime Minister Zhao Ziyang, visiting New York last week, made it clear that "the Taiwan question" was still on Peking's mind. He said it was "the main obstacle to the growth of Sino-U.S. relations," and reiterated Peking's promise of a semi-autonomous status for Taiwan, telling a luncheon audience that China would remain a divided nation until Taiwan returned to the embrace of the motherland.

But if the island has suffered in its isolation, it has not done so materially. Taiwan is thriving economically, with a gross national product that hit \$49.7 billion last year. Its per capita income of \$2,444 is one of the highest in Asia. It even ran an embarrassingly large surplus of \$6.6 billion in its trade with the United States in 1983.

Taiwan's resilience is rooted in a propensity for hard work and thrift among its 18.7 million

citizens, a self-confidence born of adversity and, not least, an American safety net in the form of the Taiwan Relations Act, which Congress passed in early 1979 to insure that unofficial relations between Washington and Taipei would continue.

The thrust of Taiwan's foreign policy shifted from politics to economics, with substance stressed over form, a notion alien to traditional Chinese diplomacy. It retains formal diplomatic relations with only 24 countries — the largest are Saudi Arabia, South Africa and South Korea — but it cultivates unofficial cultural and commercial ties with about 140 countries, some of which maintain offices in Taipei.

The Taiwan Relations Act originally envisaged only economic and cultural ties between Taipei and Washington. Congressional amendments added provisions for American military sales. Peking's biggest grievance with Washington has become the sale of arms to Taiwan, which has enabled the Nationalist regime to cold-shoulder Peking's overtures for negotiations.

"I think it is basically psychological and not so much military," a local journalist said of the arms sales. "Everybody knows we can never defend ourselves. But politically, it means America still cares about the security of Taiwan."

Acting Like an Embassy

The nominally nongovernmental American Institute in Taiwan has assumed most embassy functions except those involving diplomatic protocol. The institute occupies the old chancery, with a staff seconded from the State Department. "It looks like an embassy and it acts like an embassy," said a Western resident of Taipei. "It

just doesn't quack like an embassy."

That precedent encouraged nearly a dozen Western European countries that also recognize Peking to set up their own unofficial presences in Taipei, prompting the Chinese Foreign Ministry to complain about the subterfuge in 1982.

Taiwan has promoted trade with the rest of the world to the point that exports now account for more than half of the island's gross national product. Last year, its economy grew by 7.1 percent, well above the Government's 5 percent target. American business investment alone has reached \$1 billion.

The luxury goods displayed in the stores and the motorcycles jamming the streets attest to Taiwan's rising affluence. Yet its citizens saved nearly a third of their income last year, one of the highest thrift ratios in the world.

Foreign exchange reserves now approach \$13 billion, according to Chen Sun, vice chairman of the Council for Economic Planning. And total trade turnover of \$45.4 billion last year showed a \$4.8 billion surplus, despite heavy oil imports.

"We feel stronger than we did five years ago because we have already gone through all the bad times," said Matthew F. C. Miao, a prosperous young businessman in Taipei.

Some here would argue that the break in ties with the United States was a blessing in disguise because it showed that the island could thrive on its own. "I think it is good," said Antonio Chiang, an editor active in the political opposition to the ruling Kuomintang Party. "We cannot depend on the Americans forever. It's better (to end it) sooner rather than later."

This view is not shared by officials who still miss the prestige of formal ties between Taipei and Washington. "We have made progress regardless of the absence of diplomatic relations with the United States, not because of the absence of diplomatic relations," said James C. Y. Soong, the Government's chief spokesman.

Lingering Disbelief

Indeed, the Government on Taiwan, for all its conspicuous success in exploiting other channels, says there is no satisfactory substitute for an exchange of ambassadors. Disbelief lingers that the United States severed diplomatic relations with its old friend to appease the Peking regime, while maintaining formal ties with other countries that are weaker and less sympathetic to Washington.

"Despite the de-recognition, our two sides have survived quite well," said Mr. Chang of the Foreign Ministry. "But as far as our Government is concerned, we are not satisfied with this kind of situation. We have no marriage. We live together and try to understand each other, but the formal relationship is what we need."



King Fahd at the Islamic Conference in Casablanca, Morocco, last week.

confusion when Morocco's King Hassan II said Mr. Mubarak had told him Camp David was "dead" for Egypt anyway. Then, too, the invitation to rejoin the Islamic community did not include a ticket to the Arab political arena. The latter is represented by the 21-nation Arab League, which also ousted Egypt in 1979.

If the question of Egypt's readmission to that body is raised, perhaps by King Fahd of Saudi Arabia, who supported Cairo in Morocco, Libya, Syria and South Yemen would doubtless protest as loudly — and perhaps with more effect — as they did in Morocco. Their representatives walked out of the Islamic meeting after the vote in which 37 members supported Egypt. Such matters had traditionally been decided unanimously.

The element of hope in the Islamic summit's action was underscored the next day when President Mubarak's senior foreign policy adviser, Osama el-Baz, disclosed that Egypt, Jordan and the Palestine Liberation Organization would meet soon to devise a new peace initiative. Yasir Arafat, the P.L.O. leader, had urged the Islamic conference to readmit Egypt, and his recent warmth toward Mr. Mubarak was seen as having helped change some of the leaders' minds in that direction.

Toward Elections In Nicaragua

Nicaragua's leaders have begun outlining plans for national elections to be held next year, but their proposals so far have been greeted with skepticism. In Washington, a senior Reagan Administration official last week welcomed the announcement as a start but urged the Sandinistas to go farther in opening the contest to participation by their opponents. The elections would not be fair, opposition leaders said, unless restrictions on political organizing and campaigning were lifted.

Nicaraguans will vote for a president, vice president and 90 legislators, who would also draft a constitution. In Washington, a Sandinista official, Carlos Nuñez, a Sandinista official, said last weekend. Rebel leaders would be barred but their followers could come home to vote under an amnesty. Dates and details are to be announced next month. Opposition leaders and a coalition of Indian rebels called for repeal of Emergency Law restrictions on political meetings and for access to all communications media.

Defense Minister Humberto Ortega, meanwhile, accused the United

A Student's Death Leads to an Army Major's Transfer

Human Rights Is Also an Issue in Honduras

By STEPHEN KINZER

TEGUCIGALPA, Honduras — Raúl Omar Vasquez Amaya, who died in police custody two weeks ago, might easily have passed unnoticed, becoming just another entry on the long list of young Latin Americans from Guatemala to Argentina who have been killed by Government officials. But the Vasquez case exploded into public scandal. A few days after the facts became known, the chief of the National Intelligence Directorate, Maj. Juan Blas Salazar Meza, was transferred. The Armed Forces Commander, Gen. Gustavo Alvarez Martinez, promised the crime would be investigated and that those responsible would be "punished with the full force of the law."

Mr. Vasquez's arrest came only days after President Reagan's commission on Central America recommended large increases in American military and economic aid for Honduras and other pro-Western Govern-

ments in the region. The Administration considers Honduras critical to its plan to turn back leftist challenges. It is considering establishing what General Alvarez calls a "mixed base" in Honduras, where American and Honduran troops would be stationed together.

The Honduran Government and its friends in the White House are anxious to demonstrate that constitutional rule is taking hold in Tegucigalpa. American officials here, who have been privately critical of Major Blas Salazar, were pleased at his transfer. "It's a constant battle keeping the security forces under control," an American diplomat said.

The latest victim, Mr. Vasquez, was a university student reportedly engaged in trafficking in dollars, not a crime in Honduras. There were rumors that he may have had differences with associates. He was detained by three policemen at 8:30 P.M. on Jan. 10. The next day, his wife received a telephone call telling her where she could pick up her husband's body.

Major Blas Salazar readily admitted to reporters that his men had arrested Mr. Vasquez. "But he took ill," the major said, "and we were taking him to the hospital. As we were passing the stadium, he died suffering from pneumonia." The official coroner's report, however, listed the cause of death as homicide by blows to the head. Mr. Vasquez's widow allowed photographers to take pictures of the corpse, which was disfigured. "Law Student Dies Under Torture in Police Cell," said the headline in the daily El Heraldo.

Mr. Vasquez, it was learned, had been a member of the leading right-wing organization at the university and had many influential friends there. The university rector, Oswaldo Ramos Soto, condemned the killing as a "barbarous act." The student federation, controlled by a pro-Government group, called for an exhaustive investigation.

Mr. Vasquez's political leanings stirred high-level interest in his case, and the surprisingly frank affirmation by Major Blas Salazar that his death occurred in police custody was seen in some quarters as a challenge

to officers trying to improve the image of the military. Under the circumstances, the coroner felt free to file a candid death certificate and the press did not hesitate to support it. "It was quite an unusual case," said a Western diplomat who closely follows the Government's human rights practices. "The police were caught in a blatant lie. The facts simply could not be explained away."

General Alvarez, who is widely regarded as the most powerful man in Honduras, moved quickly to transfer Major Blas Salazar to an unspecified post in the security forces and to arrest three soldiers said to be implicated in the crime. The new chief of the investigating police is Maj. Guillermo Pinel Calix, a recent graduate of general staff training at the United States Army School of the Americas in Panama.

The prevalence of human rights abuses in Honduras is disputed. The country has not experienced the wanton mass killings common in some nearby countries. President Roberto Suazo Cordova likes to note that few, if any, Hondurans have fled into exile, while thousands of refugees have come here from Guatemala, El Salvador and Nicaragua.

American officials say the Honduran judicial system is in need of overhaul and that Honduran detectives are often uneducated and at times brutal. But they also say President Suazo and General Alvarez are actively working to improve the system. "The very fast action in the case of Major Blas Salazar will serve as a powerful warning to his successor that abuse of prisoners will not be tolerated," an American diplomat asserted.

Some Honduran human rights advocates, however, are less certain. They fear that General Alvarez, a dedicated anti-Communist who believes his country is in danger of subversion or attack, may be prepared to use whatever means he considers necessary to prevent the spread of threatening doctrines or practices. The Committee for the Defense of Human Rights in Honduras lists 53 political prisoners. Some of them have been accused of spying for Nicaragua; others are being held without charges. Last year, 28 people disappeared after being taken into custody by police agents, the committee added.

"There are elements within the Army that specialize in repression," said Ramón Custodio, a physician who heads the rights group. He said he doubted the removal of Major Blas Salazar would make a substantial difference in police behavior. "They are just changing the facade for a while," he said. "If I saw an investigation of every case, then I would think there was going to be a change."



Woman protesting disappearance of a relative in Tegucigalpa, Honduras.

In Argentina's Shadow



Uruguayans demonstrating for democracy in Montevideo.

Alfonsín's Moves Make For Nervous Neighbors

By EDWARD SCHUMACHER

MONTEVIDEO, Uruguay — On a clear day, a person looking across the broad River Plate from Buenos Aires can see the faint outlines of this small, troubled country, which has long been in Argentina's shadow. When eight years of military rule came to an end last month in Argentina and Raúl Alfonsín became the elected President, there was a noticeable stirring here. Last week, labor unions closed down Montevideo during a 24-hour general strike, the first in a decade of military government.

But the example of Argentine democracy has been a double-edged sword. Prosecutions of former Argentine military leaders for human rights abuses have shaken Uruguay's generals, putting in doubt their promise to hold elections in November and relinquish power next year. "The Argentines have done us such horrible damage," lamented Julio M. Sanguinetti, president of the Colorados, one of this country's two largest parties.

The tremors in Uruguay are the most prominent example, but reverberations from Argentina are also being felt throughout Latin America.

In neighboring Chile, the 10-year-old Government of Gen. Augusto Pinochet, hoping to discourage comparisons, has been quietly rejecting visa applications from Argentine generals. Chileans say that, contrary to the Argentine pattern, abuses such as torture, murder and disappearances are the province of the secret police, which has only a handful of military commanders. Chile's military has remained largely out of politics and respected, despite the opposition to General Pinochet. Last week, the Government-owned television was told to reduce its Argentine human rights coverage, journalists said.

In Paraguay, Latin America's senior strongman, Gen. Alfredo Stroessner, has decided to allow the return from Argentina of some Paraguayan exiles, notably dissident former officials and congressmen who are considered unlikely to challenge him.

In Brazil, the Argentine election has spurred demands to speed up the transition to full democracy after 20 years of military rule. A Congress was elected last year and presidential elections are scheduled in 1985 under an electoral college formula likely to favor the military's candidate. Last week, nearly 30,000 people attended the first rally in Brazil in favor of direct presidential elections. They applauded an Argentine from Mr. Alfonsín's Radical Party.

Hospitality for Exiles

Diplomats said a further effect of the Argentine events, although difficult to prove, may have been to discourage restless military officers considering coups against the young, economically troubled democracies in Bolivia and Peru. Argentina's military was heavily involved in past Bolivian coups and in training Peruvian officers. Also last week, Mr. Alfonsín reportedly notified Washington that Argentina would no longer support the rebels fighting in Nicaragua. He has offered to make Buenos Aires a center for South American exiles. Foreign Ministry officials said they would be issuing strong condemnations of human rights abuses everywhere. But they promised not to interfere in other countries' affairs.

In Uruguay, however, Argentine influence is so great that even a whisper carries weight. Argentine television shows dominate the air waves. Argentines are pervasive in literature and the arts. They take over the beaches each summer. Smuggled dollar deposits from Argentina underwrite the financial system. And Uruguay's political future is likely to center on the competing ambitions of President Gregorio Alvarez, a retired general who wants to stay in power, and Wilson Ferreira Aldunate, the exiled head of the important National Party, who is moving to Buenos Aires from London at the invitation of the Alfonsín Government.

Mr. Ferreira Aldunate, who was defeated for president in 1971, is the last of the National and Colorado Party leaders still banned from politics. Ten years of exile have given him a mythical aura, making him a potential front-runner. He was originally a conservative rancher but his contacts with leftists and his needling from abroad have upset the military. The Nationals say they will boycott elections if he cannot participate. The Colorados say they would join in a boycott; they want Mr. Ferreira Aldunate to return so they can run against a man instead of a myth.

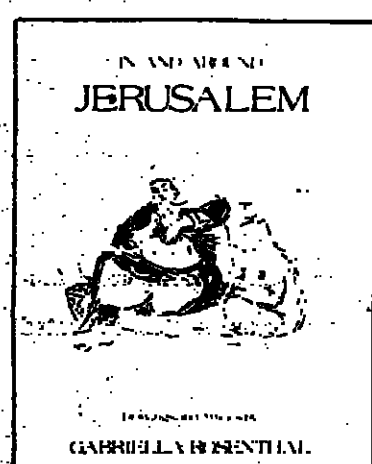
General Alvarez was appointed in 1981 to oversee the transition. In October, the junta of 26 generals and admirals rejected his proposal to postpone the elections because of growing unrest. Now he cites the Argentine prosecutions as an argument for delay. If the schedule holds, he hopes to run or to sponsor a Government candidate in truncated elections without Mr. Ferreira Aldunate and thus possibly without the main parties, which would be to his advantage.

General Alvarez lacks popular support, although his position was strengthened last week when an ally, Gen. Pedro Aranco, was named army commander. General Alvarez hopes the protests will foster a backlash demanding order, senior officials said. He is also banking on the newly appointed Economics Minister, Alejandro Vegg Villegas, a respected former Ambassador to Washington, to rescue the economy. However, the independent Mr. Vegg Villegas is known to be disenchanted with General Alvarez's hardening position and to be considering resigning — which the junta fears would be a further blow to its remaining support.

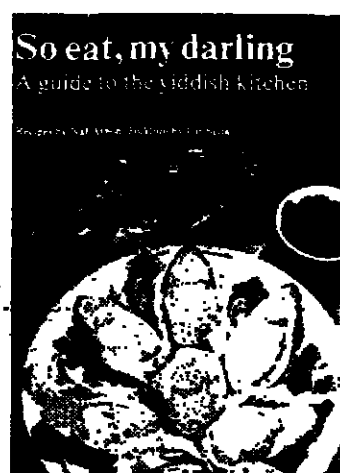
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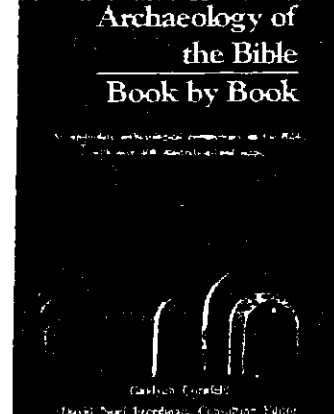
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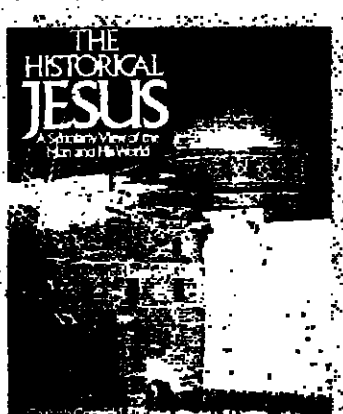
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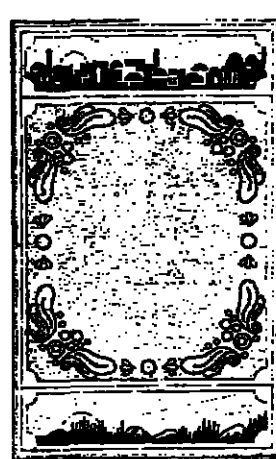
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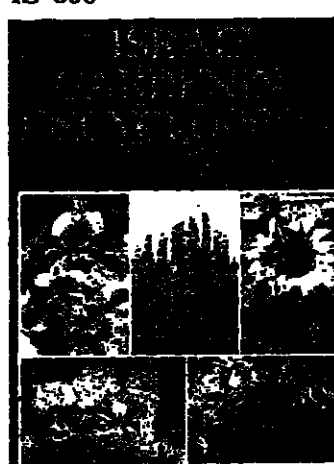
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The Nation

Rights Panel Echoes Reagan Point of View

A little late for Christmas, President Reagan appears to have finally gotten a long-sought present — a Civil Rights Commission that can be counted on to follow his own inclinations.

Early last week, as the newly constituted United States Commission on Civil Rights held its first meetings, the panel protested that it would be nobody's lap dog, criticizing a White House aide who had reportedly cracked that the commission was "on our side." The commission then denounced the use of numerical quotas for the promotion of minorities and women. Reversing the old commission's position, the panel, whose votes were shaped by what chairman Clarence M. Pendleton Jr. called a "neoconservative attitude," said discriminatory employment practices should instead be ended through other means.

Morris B. Abram, a Democrat appointed by Mr. Reagan and vice chairman of the commission, elucidated the majority view of equal protection: "Equal means equal. It does not mean you have separate lists of blacks and whites for promotion, any more than you have separate accommodations for blacks and whites for eating. Nothing will ultimately divide a society more than this kind of preference and this kind of reverse discrimination."

The panel urged the Supreme Court, which earlier in the month de-



Clarence M. Pendleton Jr.

clined the review a Detroit affirmative action plan challenged by the Justice Department, to adopt a similar view. The commissioners also voted to drop a study, approved by their predecessors, of the effects on predominantly minority colleges of Administration-backed cuts in student financial aid. And they decided to hold a conference on "comparable worth," a principle endorsed by many organizations, Democratic Presidential contenders and, last month, a Federal judge who ordered the State of Washington to give millions of dollars in back pay to female employees discriminated against because their jobs were not considered to have the same intrinsic value as "predominantly male jobs." Linda Chavez, the staff director of the commission, called the concept a "fundamentally radical one that would alter our existing marketplace economy."

by having courts and bureaucrats replace individual and collective bargaining. Administration officials said they agreed with Miss Chavez.

During the commission's meeting, many discussions were marked by bitter exchanges between two Carter appointees and the new majority. Outvoted members said the panel's actions could have been scripted in the Oval Office. "The White House now has, for the first time in the history of the institution, its own Civil Rights Commission," said Mary Frances Berry, one of the dissidents, "and it's just in time for the election year 1984." Members of the new majority said the new minority were just sore losers. "Nobody's ever said a word about previous Presidencies and positions commissions took," Mr. Pendleton said. "It wasn't until Ronald Reagan came to office and if somebody happens to agree with Ronald Reagan then you are a pawn of Ronald Reagan."

The Uses of Economics

There was something for everyone looking to make political points from economic percents last week.

The Commerce Department's report on the gross national product in the last three months of 1983 showed the economy growing at a solid rate of 4.5 percent, with inflation, as measured by the broad-based G.N.P. deflator, averaging a subdued 3.9 percent. But there were troublesome spots. High interest rates and the high-valued dollar contributed to a sharp \$8.9 billion surge in imports and a scant \$800,000 increase in exports, stunting what would have otherwise been much stronger overall economic growth.

Many economists attribute the growing trade imbalance to the \$200 billion Federal budget deficits of the Reagan years. Last week, two Reagan men who have gotten in trouble for speaking out in the past spoke out, frankly acknowledging some deficit realities. "This democracy," budget director David A. Stockman said in an interview in *Fortune* magazine, "is somewhat ambiva-

lent" about the budget, wanting "both low taxes and substantial public spending. Now we have to figure out how to pay our bills."

Mr. Stockman's point was of political philosophy. Martin S. Feldstein made one about economic practice. "With little or no fiscal action in the coming years, the deficit would remain so high that we could not expect the combination of sharply falling interest rates, declining inflation and strong economic growth that are in our forecast," the chairman of the Council of Economic Advisers said.

Mr. Stockman and Mr. Feldstein were chief among the advisers pressing the President to follow a path he is said to be extremely unlikely to take — proposing new taxes in the budget he will send Congress in 10 days. Other advisers have their own version of deficit reality in an election year. "Why come up with spending cuts or tax increases that have no

chance of getting enacted and cause needless political flak?" asked an Administration official last week.

Untold Tales on Ship Contracts

For the moment, the Justice Department wants no part of P. Takis Veliotis's gifts. Last week, it was reported that Mr. Veliotis, a former General Dynamics Corporation executive who fled to Greece before he was indicted on a variety of Federal charges, was ready to bare details about his old employer's knack for making huge profits on Navy submarines. The Justice Department said no thanks; an official said because Mr. Veliotis was considered "a fugitive from justice," Washington "was not inclined at this point to make any deals with him."

Neither his lawyer nor the Justice Department would say specifically what sort of information Mr. Veliotis might have provided. But it was reported that, if none of the goods were used against him, he would contend that General Dynamics had deliberately underbid to land a nuclear submarine contract and had later made hundreds of millions in a settlement based on fraudulent accounts. In a statement, General Dynamics said that the allegations Mr. Veliotis was said to be prepared to make had already been the subject of a Federal grand jury inquiry that ended without any charges being lodged against the corporation. In September, Mr. Veliotis, a Greek national, and an assistant were charged with sharing a \$2.7 million kickback from a General Dynamics contractor.

Michael Wright and Caroline Rand Herron

Michigan Says 'Uncle' on Prison Improvements



Prison guard at Jackson, Mich., state prison during 1981 riots.

DETROIT — In Michigan as in many states, prison overcrowding is chronic because public pressure for stiffer sentences is not coupled with a willingness to pay for more prison facilities. In 1981, riots in the state's three major prisons triggered a Justice Department inquiry into whether the causes of the disturbances were also violations of the Civil Rights of Institutionalized Persons Act of 1980.

Last week, the Department's Civil Rights Division and Michigan reached an agreement, under which the state did not admit to wrongdoing but agreed to spend \$29 million of its own funds to improve prison conditions. The first settlement under the 1980 act, which gives Washington the authority to regulate state prisons, provided an indication of the Reagan Administration's attitude toward Fed-

eral intervention in this particular state matter. It also provided a clue for 31 states also under investigation: It may be better to negotiate than fight.

According to Frank Kelley, Michigan's Attorney General, the initial findings of Federal investigators — "egregious and flagrant conditions" at the Jackson, Marquette and Ionia prisons, which house 7,200 of the state's 12,788 incarcerated offenders — could have cost the state more than \$500 million for entirely new prisons. According to Stanley Steinborn, an assistant to Mr. Kelley, "The Civil Rights Division was willing to work with the state." Under last week's settlement, the state will improve medical, safety and sanitation facilities at the prisons and improve prisoners' access to law libraries and the courts over the next three years.

—JOHN HOLUSHA

The House and Senate Resume Tomorrow but a Productive Session Seems Unlikely

More Than Politics Clogs Up the Congress

By HEDRICK SMITH

WASHINGTON — A few days ago, House Speaker Thomas P. O'Neill was playing a round of golf in Palm Springs, Calif., in a foursome with Bob Hope, Arnold Palmer and former President Gerald R. Ford. As they finished, a reporter collared Speaker O'Neill to ask about the second session of the 98th Congress, which begins tomorrow. The Speaker tossed back the judgment that in the early weeks, "it'll mostly be Lebanon and Central America." More sweepingly, he added, "Don't expect very much new legislation."

It was a candid acknowledgment that Congress has great difficulty being productive in an election year, and in a political period such as this one. But the problems of leadership predate the current period, with its division of Government between a conservative Republican in the White House backed by a Republican majority in the Senate, and a Democratic majority in the House. The institutional reforms of the early 1970's and the more independent temper of the post-Vietnam and post-Watergate legislators served to fragment power.

By the conventional wisdom, the deliberate assault on the old seniority system and the opening up of the legislative process to public scrutiny has made Congress more democratic but also more unwieldy. "In the old days, an Eisenhower could go up and make a deal with Lyndon Johnson in the Senate and Speaker Sam Rayburn in the House," Tom C. Korologos, a legislative specialist in the Nixon-Ford Administrations and a veteran lobbyist, says. "Now there really is no party discipline. You have to lobby 51 percent of Congress."

Norman Ornstein, a former Senate committee staff director and political scientist at Catholic University, says: "It was a fallacy to believe that Lyndon Johnson and Sam Rayburn were all-powerful. Their power came from their ability to sweet-talk or play off their barons, committee chairmen. If you can control what wins and loses and when, you can look awfully powerful. But now it's much more difficult to regulate the legislative agenda. With open committee sessions, you can't kill a bill quietly." Because members are now forbidden to hold more than one chairmanship, half the House Democrats head committees and subcommittees. Legislators' staffs have doubled, to 22 workers. "That means everybody can be an expert on everything," Dr. Ornstein said. "They can make speeches on the floor and offer amendments,

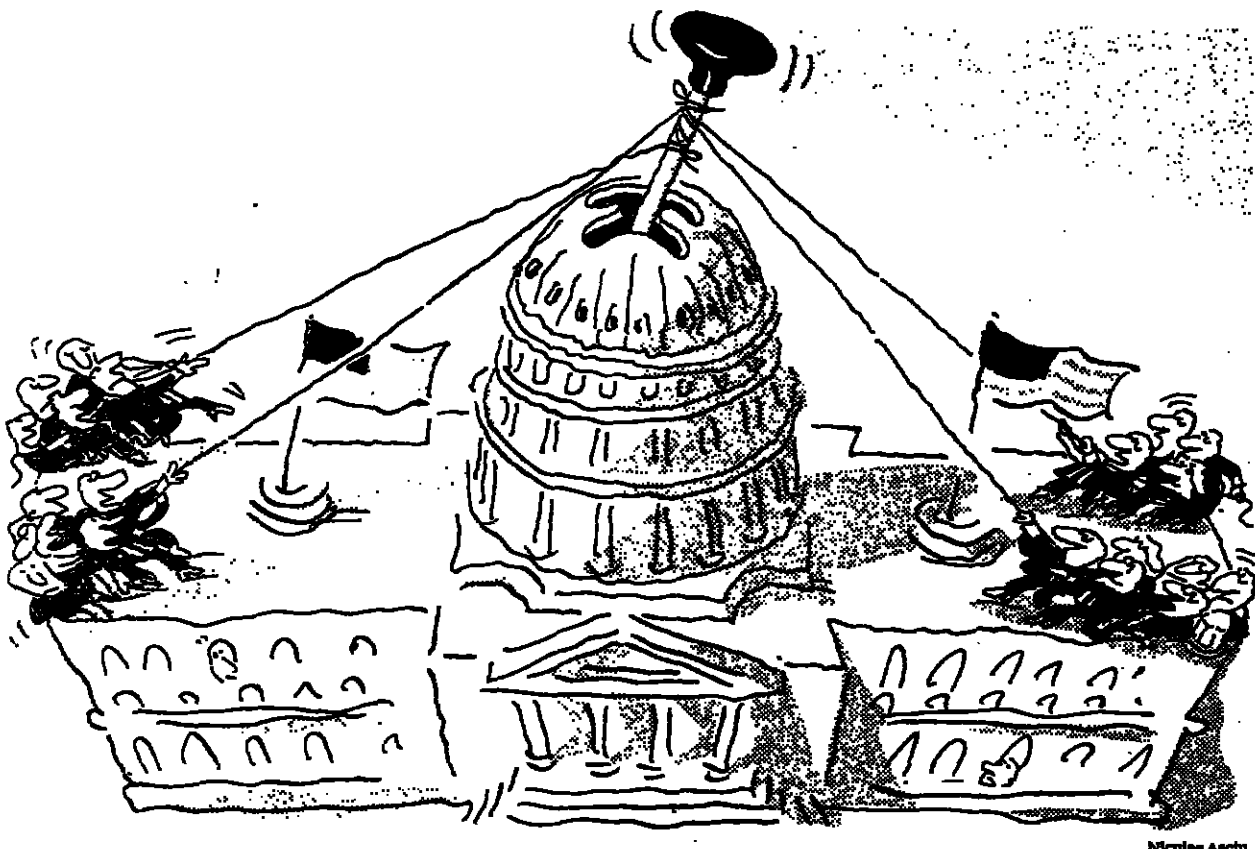
and that means things can get clogged up."

Early in November, for example, a group of 24 House Democratic freshmen, mostly liberals, revolted against and temporarily blocked the Democratic leadership's omnibus spending compromise because it did not include a tax increase. And even though the Democratic voting record was more solid than in any year since 1954, 72 Democrats broke with Mr. O'Neill and backed President Reagan on funding the MX missile; 134 Democrats split with both the President and the Speaker on keeping American marines in Lebanon for 18 months.

This year, the leaders' difficulties will be com-

pounded by pressures for a short session and the distractions of campaigning. More fundamentally, as Senator James B. McClure of Idaho observed, members running for re-election will feel the tug of loyalty to party, and Congress and the pull of what plays best back home. The interests of a Rocky Mountain conservative such as Mr. McClure, for instance, are different from those of Senator William Cohen, with the East Coast outlook of Maine.

"Holding the Senate Republicans in the corral this year will be Howard Baker's greatest challenge," Senator Paul Laxalt, the Republican Party chairman, said. Many politicians think Mr. Baker, the majority leader,



Nicholas Arcuti

handicapped himself needlessly in saying last fall that he was not seeking re-election. Some say his role may be complicated by maneuvering among the five declared contenders for his post — Senators Bob Dole of Kansas, Richard G. Lugar of Indiana, Ted Stevens of Alaska, Pete V. Domenici of New Mexico and Mr. McClure.

Differences and divisions within party ranks, let alone clashes across partisan lines, reinforce the tendency to put off hard choices, especially on the prickly task of fashioning a budget. In the Senate, the first awkward struggle may come in the spring, on raising the national debt limit. Conservatives such as Senator William D. Armstrong of Colorado are likely to attach a rider for a constitutional amendment to balance the budget, thus pushing Republican moderates toward the Democrats. Last year, on Lebanon, it took all of Senator Baker's persuasive skills to hold 52 of the 54 Senate Republicans in line on endorsing the marine presence for 18 months. This year, the task is likely to be harder if any of the early withdrawal resolutions make it to the floor.

On the House side, Mr. O'Neill stands a good chance, his advisers feel, of holding together a majority on tying tight conditions to more military aid to El Salvador or opposition to covert American aid to rebels fighting the Government of Nicaragua. On Lebanon, former Vice President Mondale's joining other Democratic Presidential contenders in calling for withdrawal of the marines will make it easier for the Speaker to follow the drift of his own rank-and-file. The trickiest challenge will be to devise a Democratic position on the budget striking a balance between the 130 liberals who lean to cutting deficits by taxing and holding down military spending and the 45 Southern conservatives who prefer cutting social programs and a moderate defense position.

Congressional leaders are not without levers of persuasion, of course. As Majority Leader, Mr. Baker can push a pet project of one Senator, co-sponsor the legislation of another, arrange a meeting with the President for others. To a considerable degree, Mr. O'Neill can use committee appointments or the legislative calendar to reward friends and punish adversaries.

But ultimately, in the more open, free-wheeling Congress of the 1980's, Representative Les Aspin of Wisconsin says, "the leader's authority is largely moral and depends on his agility and on his ability to position himself well with his own majority." Tom Mann, executive director of the American Political Sciences Association, adds that managing the new Congress requires that leaders learn to recruit more of the younger members into the collective leadership. An aide to Mr. O'Neill bluntly translates both of those propositions. "The best leverage Tip O'Neill can have," said the aide, "is that what he says is going help House Democrats in the fall elections."

Few Expect Revision of Financing Rules This Year

On Capitol Hill, the Deep-Pocket Theory Still Holds Sway

By MARTIN TOLCHIN

WASHINGTON — Politics is clearly a growth industry. Despite the recession, House and Senate candidates spent a total of \$343.9 million in 1982, according to figures compiled by the Federal Election Commission, 44 percent more than in 1980 and an estimated 50 percent less than will be spent this year.

For many incumbent and aspiring members of Congress, fund-raising has become something like a full-time job. The commission reports that House members and their would-be opponents raised a total of \$23.5 million last year in preparation for this year's campaigns. Representative Stephen J. Solarz, a New York Democrat, has thus far raised \$634,456 — one of the largest such campaign funds reported — although he is expected to encounter only nominal opposition in November. Senators and their prospective opponents had salted away \$19 million as of New Year's Day.

Critics complain that many campaign contributions are regarded as "investments" that can pay off more handsomely than most high-flying stocks, in terms of legislative benefits for the givers. Many maintain that

the proliferation of political action committees is undermining the influence of political parties, which account for 2 percent of campaign financing.

Representative Bill Frenzel, a Minnesota Republican, and Senator Paul Laxalt, a Republican from Nevada, have sponsored legislation intended to strengthen the role of political parties by reducing restrictions on their contributions. Among other things, the bill would raise the amount a party can give to a candidate from \$5,000 to \$15,000, increase the total a party's senatorial or national committee can give from \$17,500 to \$30,000, remove limits on the amount party committees can spend on behalf of House and Senate candidates through coordinated expenditures, and allow parties to receive contributions from corporations and labor unions to defray administrative costs. "If you increase the importance of political parties, you decrease the importance of PAC's," Mr. Laxalt said in proposing the legislation.

A special study group sponsored by the Twentieth Century Fund last week urged Congress to limit the amount of money political action committees can give a candidate and at the same time increase the limit on individual contributions to political parties.

Congressional advocates of change failed last year to

muster much enthusiasm for their legislation, which would have curtailed overall Congressional campaign spending and limited the role of the committees. They have introduced revised legislation that they hope will gain attention, if not enactment, this year.

Their original bill would have limited to \$200,000 the amount House candidates could spend in a general election campaign; held to \$80,000 per two-year election cycle the total amount of committee money that candidates could accept; limited to \$20,000 the money candidates could spend from personal and family sources; and guaranteed free broadcast time or additional public financing to candidates who were the targets of independent expenditure campaigns of \$5,000 or more.

The revised bill would create an overall \$240,000 spending limit; retain the old limitations on committee money and personal campaign financing; and provide a tax credit, instead of public financing, of up to \$100 per contributor. The legislation is strongly supported by Common Cause, the public affairs lobbying group, which plans to spend \$800,000 advertising it, mostly on television. "We see it as a potential breakthrough in putting together a major coalition," said Fred Wertheimer, the organization's president.

To Mr. Wertheimer, the ignominious effects of spiraling campaign costs are demonstrated almost daily on Capitol Hill. "There's no way that the new dairy legislation, which pays farmers for not producing, would have become law without the role of dairy PAC money — \$3.1 million in '80 and '82," he said.

Herbert Alexander, director of the Citizens Research Foundation and a leading authority on campaign spending, called the proposal "a comedown for Common Cause, which for years had urged public financing of Congressional campaigns."

Mr. Alexander noted that in 1981 and 1982, Republican national and Congressional committees raised \$191 million, six times the \$31.5 million raised by their Democratic counterparts. "For the many years that the Democrats controlled Congress and the White House, they never built stable financial sources," Mr. Alexander said. "They depended on labor, incumbency and larger contributors. Meanwhile, the Republicans were building their lists of contributors and developing a stable financial base." Few expect a revision of the campaign financing to be approved in 1984. "It's a tough sell in an election year," said a Congressional aide. "It's got to be done in an off year."

Nutmeg Diplomacy in Grenada

By SETH MYDANS

GRENADA is the only nation with a nutmeg on its flag, and with good reason. The tiniest country in the Western Hemisphere, it is the world's second-largest producer of the little, golden fruit with the bright red heart.

But lately, along with all its other difficulties, Grenada has been having nutmeg problems. The spice is Grenada's second-biggest export, after cocoa, and when the Maritimes swept onto the island last October, they not only ousted Grenada's Marxist Government but also eliminated the principal buyers of its nutmeg — the Russians.

During the four-and-a-half year rule of Maurice Bishop's Government, the Soviet Union had stepped up its purchases of nutmeg from Grenada, and in 1982 the Russians signed a five-year contract raising purchases to 500 metric tons of nutmeg a year, or about one-fourth of the country's production.

Encouraged by this contract, the tiny island with a population of less than 100,000 began turning out more nutmeg than ever, and negotiating more direct-sale agreements with other Eastern Bloc countries to supplement its sales to the West.

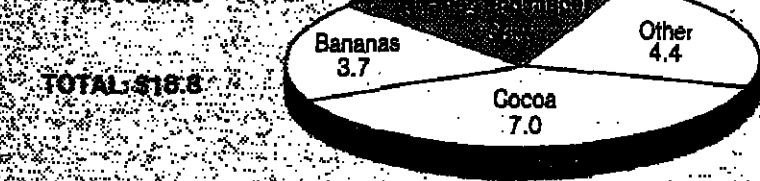
After the American invasion Oct. 25, the Grenadians obediently closed the Soviet Embassy and sent the Russians on the island packing. To nobody's surprise, the buyers from Moscow have not been heard from since.

"We have not been contacted by the Russian buyers up to this point," Robert S. Renwick, general manager of the Grenada Cooperative Nutmeg Association, said with a wry smile. "We would be quite happy to continue selling to them." That's not likely to happen without diplomatic relations, though, said Lawrence Theriot, director of the Caribbean Basin Informa-

Grenadian Nutmeg at a Glance

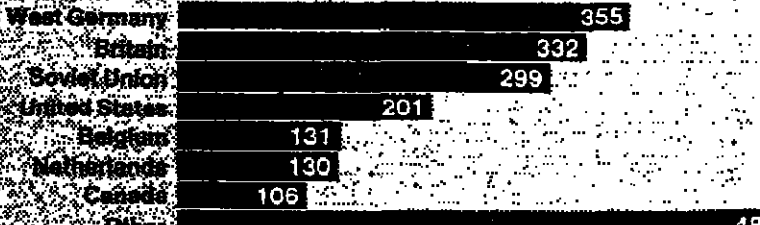
The Island's Second-Largest Export...

1982 Grenadian exports, in millions of dollars



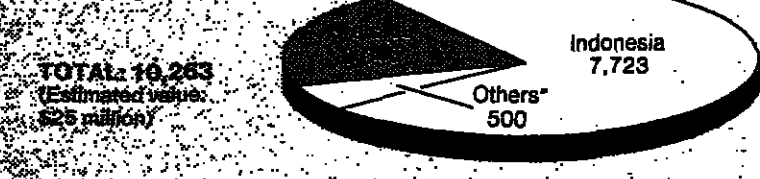
And Its Biggest Customers...

1982 Grenadian nutmeg exports, in metric tons



Market No. 2 in World Output

1982 world nutmeg production, in metric tons



(Estimated value: \$25 million)

(Including Sri Lanka, Trinidad)

Sources: U.S. Department of Agriculture; World Bank

sation, said with a wry smile. "We would be quite happy to continue selling to them." That's not likely to happen without diplomatic relations, though, said Lawrence Theriot, director of the Caribbean Basin Informa-

tion Center in Washington.

To make matters worse, one of Grenada's traditional customers, the Netherlands, switched its business to Indonesia, the world's top exporter, when the Russians struck their deal

with Grenada, and the Grenadians have not yet managed to woo the Dutch back.

These disruptions and years of accumulated political problems — culminating in the coup that led to the murder of Mr. Bishop Oct. 19 and the invasion the following week — have left Grenada's warehouses groaning with surplus nutmeg. And now, as the peak harvest season approaches, Grenadians find themselves stuck with about a year's production — 2,700 metric tons.

Enter the Americans. The White House Office of Private Sector Initiatives has stepped in to drum up business for Grenadian nutmeg and has sponsored visits to the island by prospective nutmeg buyers. The trip began with a meeting with the President, who according to one participant joked that nutmeg was what the Russians and Cubans were interested in all along in Grenada.

Nutmeg goes with egg nog, Mr. Reagan was quoted as saying, egg nog goes with Christmas, and "What they were really after was Christmas."

The shipments to Russia were "strictly political," said Rex Dull, an economist and nutmeg expert with the Department of Agriculture's Foreign Agricultural Service. "They were purchasing to help Grenada. Their consumption is actually insignificant.... They were taking the nutmeg off Grenada's hands for political reasons, and to gain a political foothold in that country."

Now, it seems, the Americans are about to take on that role. Said John Fitch, associate director of the White House Office: "All we're trying to do is say, 'Look, there's 2,700 tons of Grenadian nutmeg down there. We are interested in helping the Grena-

The Economy

dian economy as an Administration." He added: "I think there would be some strategic value in that, too."

The White House's first taker is Jerome Vernazza, an American entrepreneur whose Virgin Islands-based firm, Caribbean Corporate Services, represents investors in the region.

Mr. Vernazza has taken an option to buy as much as 522 metric tons of Grenadian nutmeg — about the equivalent of the annual Soviet purchase — over the next six months in lots of about 45 to 57 tons. (A metric ton is 2,204.6 pounds.) The idea is to resell the nutmeg in the United States, a plan that, if it works, would swell American consumption by 20 percent.

Mr. Vernazza will pay about \$1 million, he said, buying the nutmeg at prevailing prices. The current price for whole nutmegs in the United States is 87 cents a pound for the cheaper Indonesian nutmeg and 90 cents a pound for the sharper and more pungent Grenadian variety. Grenada's stockpiles so far have not affected either wholesale prices nor the Indonesian market, analysts say.

He described the plan as "a business deal where everybody wins. We introduce a new product to the American consumer, so the consumer wins. The stocks are reduced and the cash is distributed to the growers, so the Grenadian people win."

Mr. Vernazza may win, too, if he gets the White House help he is hoping for. Insiders have told him that "if they've got space and if they can legally do it without breaking the rules," he may be able to fly his first shipments home on available Government aircraft.

He said that while the Government had cut some red tape for him, he will get no subsidies or credit assistance. A spokesman at the Commerce Department confirmed that he would receive no special financial assistance from the Government.

BUT what to do with all that nutmeg?

Total United States nutmeg imports for 1982 were only 2,421 tons — roughly the amount stashed in Grenadian warehouses now — valued at about \$3.6 million. Of this, 1,759 tons with a value of about \$2.6 million were imported directly from Indonesia and the rest from a variety of other direct and resale sources.

Americans' per-capita nutmeg consumption amounts to no more than 1.2 tablespoons a year. And 60 percent of this goes for industrial use in sausages, cakes and pastries, with just "a pinch," as Mr. Vernazza puts it, sprinkled in the kitchen.

He hopes to increase that by many pinches, indeed. His idea: a nutmeg kit including a spice bottle with 8 to 10 whole nutmegs, a small grater and a recipe booklet by his wife, Marylee. He hopes to sell most of the spice in the kits, but will try to market any surplus on the wholesale market.

Mr. Dull has his doubts about all this. Promotional campaigns, he said, are not going to make a big dent in a market where less than half the volume is sold directly to consumers. Spices generally are purchased by spice brokers, who in turn sell the commodity to major food processors, bakers and spice companies.

Further, Mr. Dull pointed out, Grenadian nutmeg is harder and thus costlier to grate and process than Indonesian.

Another problem raised by Mr. Renwick is the slightly sharper, "pungent" taste of Grenadian nutmeg, preferred by some Europeans but unfamiliar to Americans.

"The only thing I can say is, good luck," Mr. Dull said of the nutmeg-kit idea. "I don't think he's really going

to be able to stimulate demand, and I think he's going to end up shipping most of his nutmeg to Canada and Europe," where consumers are more accustomed to Grenadian nutmeg.

THE history of the little nation with the nutmeg on its flag has been bound up with the versatile spice since colonial times.

Columbus landed there in 1498, and centuries later the nutmeg found a home on the island — in the 1840's, when Grenadian sugar growers returned from a visit to Indonesia with a few nutmegs tucked away in their baggage.

The mystic fragrance, a tropical evergreen that grows to about 75 feet, flourished in the mountainous island's warm, rainy climate. Now, nutmeg and cocoa alternate as Grenada's main agricultural export.

The nutmeg industry now contributes about 35 percent of the value of domestic exports, and yielded average annual export revenue of \$3.4 million over the past decade.

Some 95 percent of the world nutmeg trade today comes from Indonesia and Grenada. In 1982, Indonesia exported 7,723 tons of nutmeg and Grenada 2,040 tons.

West Germany, which imported 355 tons that year, was Grenada's leading customer, followed by Britain with 332 tons. The Soviet Union with 292 tons (before their five-year contract took effect) and the United States with 201.

American consumption of Grenadian nutmeg fell off after 1955, when Hurricane Janet destroyed 80 percent of Grenada's crop. The United States and other countries subsequently switched to Indonesian nutmeg.

"We have not been able to get back into the United States market," Mr. Renwick said recently in his office overlooking the harbor of Grenada's capital, St. George's. "Our hope is that a deal with an American company now will help us to get back in."

The nutmeg, a single fruit, produces two separate spices: nutmeg from the hard brown seed, and mace from the crimson aril that covers it.

It is harvested at fluctuating volumes year-round when it drops to the ground. The nutmeg is dried indoors for six to eight weeks, while the mace is cured in wooden bins. Ground nutmeg tends to be sweet with a warm and spicy undertone, while mace has a softer, less pungent flavor.

Nutmeg is used to flavor baked goods, puddings and other desserts, sauces, vegetables and some drinks like egg nog. Industrially it is used "mainly in spice blends, processed meats and bakery products."

Mace, once a common preservative in sausages and other processed meats, is used as a flavoring in cakes, chocolate dishes and as a seasoning for fish, sauces and meat stuffings. Industrially it is still used in the manufacture of processed meats.

Perhaps a third of the population of the island is touched by the nutmeg industry in some way, Mr. Vernazza estimated.

"It's in our flag because we are known as the spice island mainly from our production of nutmeg and mace," said Mr. Renwick, "and to a lesser extent of other spices like clove and cinnamon. 'Nutmeg has been more of a grass-roots crop than, say, cocoa. It is more in the blood of the Grenadian farmer.' Most of the island's 7,000 growers farm less than five acres."

Mr. Renwick said nutmeg has even entered local superstition. Rural residents sometimes carry a nut string around their necks, or even in their mouths, to ward off aches and pains.

Besides such eccentric uses, there seems little room for the expansion of the world's nutmeg appetite that Grenada is counting on.

INVESTING / Terry Trucco

The Bull Market in the Far East

OPTIMISM abounds on the Tokyo Stock Exchange. While the American securities markets have been backing and filling over the last seven months, and the Dow Jones industrial average has shown little ability to sustain its interim gains on the New York Stock Exchange, the Nikkei-Dow Jones stock index in Tokyo has continued an upward surge that began early in 1983. Just 13 days ago, the index broke 10,000 yen for the first time, and to hear brokers and analysts tell it, it could break 13,000 by the end of the year.

"Personally, I'm very positive that the first part of a boom market, and I think this boom is a big one," said Takuro Isoda, general manager of the International Securities division of Daiwa Securities in Tokyo.

Indeed, while the New York Dow rose some 28.1 percent in 1983 (there is no direct link between the two indexes), the Tokyo index was not too far behind, increasing 23.4 percent. But, unlike the Dow here, the Japanese stock market has seen a steady growth pattern, from just under 2,000 yen in 1970 to current levels, led by a strong domestic economy. And the continued bullishness has drawn a great influx of new foreign investors into a market that many thought almost impossible to understand and analyze not too long ago.

Even though foreign investment in Japanese stocks rose 18 percent, to \$3 billion, last year, it was only 10 percent of total purchases on the Tokyo exchange. But it was 5 percent just three years ago. Moreover, Americans have accounted for a larger and larger chunk — about half last year — compared with the past when European and Middle Eastern investors dominated the foreign component.

American securities firms have helped the trend along in recent years. Though not every firm offers

retail brokerage services in Japanese securities, the largest ones — including Merrill Lynch, Prudential-Bache, Goldman Sachs, Smith Barney and Salomon Brothers — are licensed to trade in Japan. The four largest Japanese brokerage firms, Nomura Securities, Daiwa Securities, Nikko Securities and Yamaichi Securities, also have New York offices, although they do most of their business with institutional investors. Nomura will handle individual accounts, but it says it prefers to deal with clients spending at least \$500,000. In comparison, Prudential-Bache is willing to handle even the smallest individual investments in Japanese exchanges, according to analyst Hisamichi Sawa.

But individual investors should expect to purchase at least 1,000 shares in a Japanese company — the minimum purchase required by Japanese law. This is not necessarily a problem for the small investor, because average stock prices tend to be lower in Japan — generally around \$3 to \$4 a share. But, when corporate profits soar and stock prices rise, many Japanese companies regularly give stock dividends to shareholders, a move that generally keeps stock prices in the lower ranges because the share values are diluted.

Still, the simplest way for an investor in the United States to play the Japanese market is to choose from the two dozen or so Japanese stocks — recognizable consumer products companies like Sony — that are currently offered on the New York Stock Exchange or traded in the over-the-counter market here. Technically, companies like Nissan, Toyota and Honda trade in this country what are called American depository receipts, or A.D.R.'s — receipts for a foreign company's shares held in an American bank in Tokyo — whose prices closely track in dollars the price of

those shares on the Tokyo exchange. For those interested in more choice, there are about 1,600 stocks listed on the two-tier Tokyo Stock Exchange, and another 200 issues traded over-the-counter in Japan.

One of the main reasons for optimism in the Japanese stock market is the economic climate of Japan. The country's G.N.P. in 1984 is expected to expand by 4 percent, fueled by even higher levels of exports. Analysts expect sharply higher profits for Japanese corporations in 1984 — by as much as 40 percent for some major companies. Moreover, Americans who buy Japanese stocks while the dollar is strong stand to gain if the dollar weakens, because when they sell their shares, their total dollar return will be larger.

But despite the possible returns, there are reasons for American investors to be cautious of Japanese securities. For one thing, financial information on many Japanese companies is hard to get. With relatively few American research companies in Japan, many brokers are not yet familiar with Japanese stocks, although some are working with such Japanese firms as Nomura and Daiwa. "We work with American analysts who are interested in promoting specific Japanese stocks," says Mr. Isoda of Daiwa. "But you can't expect a lot of research information on the smaller issues, generally avoided by foreign investors."

And there is a difference in reporting earnings. Japanese companies tend to report only the consolidated earnings of a parent company, instead of including earnings of subsidiaries. That makes earnings look like less, and the price-earnings ratio of stocks almost double their American counterparts. A new law, effective in March, will require that companies report all subsidiary earnings, which should lower P/E ratios by 20 per-

cent, analysts say. Moreover, most companies report only annual or semiannual earnings, compared with Japanese companies listed on the New York Stock Exchange, which must report quarterly as well.

WHAT Japanese companies can investors expect to see do well in 1984?

"We must follow the big name stocks, but it's often the smaller companies that outperform, little companies that may have capital of less than \$100 million," says Mr. Sawa of Prudential-Bache. He cites Rohm, a leading Japanese maker of custom-made integrated circuits.

Prudential-Bache also recommends small stocks like Fanuc, a leading maker of numerical control systems, whose price appreciated 169 percent last year; Kokusei Electric, a leading semiconductor equipment maker that went up 82 percent between last April and December, and Tokyo Electric, a major importer of semiconductor manufacturing equipment, that appreciated 98 percent last year.

Nomura's current recommendations include Matsushita Electric, the world's leading maker of video cassette recorders; Nitsuko, which makes computerized telephones and whose stock jumped 226 percent last year, and Ito-Yokado, a retailing and restaurant chain, whose affiliates include the Japanese franchises of the popular 7-Eleven convenience stores and Denny's fast-food restaurants.

But the strength of Japan's markets may also lead to a price peak. "This year we have to be very selective," cautions Mr. Sawa. "Many stocks are now carrying very high P/E's, and many have already performed very well. What we have to find now are fundamentally solid stocks."

WEEK IN BUSINESS

Sony Prevails in The Betamax Case

After months of indecision, the Supreme Court ruled on the bitterly contested Sony Betamax case — in Sony's favor. The decision, a close 5-to-4 vote, found that consumers who make video recordings of television programs at home do not violate copyright law, nor do companies that make and sell the machines and blank tapes. The decision spelled relief for the entire video recorder industry and was a blow to the motion picture business — Universal City and Walt Disney Productions in particular — which had gotten a favorable ruling in a California appeals court in 1981. The motion picture industry said it would fight on, seeking passage in Congress of a bill that would levy a user fee on video recorder sales and tapes. Thus, there's more lobbying ahead for Sony's American chief executive, Kenji Tamura.

It was a bleak week for the banking industry. Nearly all the major banks reported either modest gains in fourth-quarter earnings, profit declines, or, in the case of Crocker National, a \$58 million loss. Citicorp took a \$200 million loan loss provision to cover possible bad loans and said profits rose only 4 percent, while BankAmerica's earnings fell more than 32 percent. Moreover, Standard & Poor's lowered the rating on the senior debt of nine major banks, in-



Kenji Tamura of Sony

cluding Chase, Chemical Bank, Citicorp, Manufacturers Hanover and Irving Trust.

It was also a bleak week for Elvis L. Mason, who resigned his post as chairman of the Dallas-based Interfirst Corporation, the nation's 14th-largest banking concern. Long considered one of the nation's sharpest bankers, Mr. Mason had built Interfirst into one of the most profitable

banks, but large loans to the oil industry created huge losses.

Nuclear Woes (Cont.). The most expensive nuclear power project to be abandoned was announced by the Public Service Company of Indiana. It will halt all work on its half-finished Marble Hill project, into which the utility has poured \$2.5 billion. The company cited an overwhelming increase in costs — \$7 billion needed for completion — and inability to raise sufficient funds. The announcement came four days after the Nuclear Regulatory Commission moved to prohibit the Commonwealth Edison Company of Illinois from operating its \$3.35 billion Byron plant because of lax quality controls during construction.

Telephone access charges — fees paid to link into the nation's long-distance network — have been a political football, and the F.C.C. decided to punt. Citing public pressure, the agency delayed until 1985 plans to impose fees of between \$2 and \$6 a month on households and small businesses. Both A.T. & T. and the F.C.C. have claimed that long-distance serv-



Stuart Goldenberg

ice has subsidized lower-cost local service, and access fees are an attempt to more realistically distribute the true costs of telephone service. As a result of the decision, A.T. & T. is likely to rescind its planned 10 percent rate cut, and Congress will have time to decide the access fee issue for itself.

Cooling Off. The Government's "flash" estimate of inflation-adjusted economic growth last month was on target. The Commerce Department reported that real G.N.P. rose 4.5 percent — a considerable slowing from the second and third quarters. Economists have welcomed the slower growth, noting that sustained high levels of economic expansion would inevitably lead to much higher inflation levels.

Investors were uninspired last week as stock and bond markets moved very little. The Dow Jones industrial average lost 10.99 points to close at 1,259.11, while bond prices fell moderately and interest rates edged higher. The Federal Reserve reported on Friday that the basic money supply, M-1, rose \$3.8 billion in the financial week ending Jan. 11. The increase was expected, but some analysts noted the increase could be an early warning of a resurgence in money supply growth.

Nathaniel C. Nash

The New York Stock Exchange

MOST ACTIVE STOCKS

WEEK ENDED JANUARY 20, 1984

| Company | Sales | Last | Prev. | Net Chg |
|----------|------------|------|-------|---------|
| ATT | 13,742,900 | 17% | 17% | + |
| IBM | 12,455,600 | 23% | 23% | + |
| IBM | 9,078,900 | 11% | 11% | + |
| AT&T | 8,597,500 | 65% | 65% | + |
| Digital | 6,288,300 | 85% | 85% | + |
| AMR | 5,543,400 | 38% | 38% | + |
| Supr Oil | 5,513,000 | 40% | 40% | + |
| Chrysler | 5,105,600 | 30% | 30% | + |
| AMT | 4,362,000 | 24% | 24% | + |
| Texaco | 4,358,900 | 38% | 38% | + |
| P&S Ind | 4,017,900 | 9% | 9% | + |
| Hew Pk | 3,763,200 | 44% | 44% | + |
| Mobil | 3,673,800 | 30% | 30% | + |
| Pan Am | 3,620,500 | 9% | 9% | + |
| A Gn Cp | 3,573,700 | 22% | 22% | + |

MARKET DIARY

| Advances | Declines | Total Issues | New Highs | New Lows |
|----------|----------|--------------|-----------|----------|
| 925 | 1,066 | 2,275 | 164 | 49 |

VOLUME

| Total Sales | Last Week | Prev. Week |
|-------------|---------------|---------------|
| 487,302,530 | 1,485,627,542 | 1,368,687,250 |

WEEK'S MARKET AVERAGES

| High | Low | Last | Change |
|-------|-------|-------|--------|
| 113.4 | 112.0 | 112.2 | -0.42 |

New York Stock Exchange

| Indust | Transp | Util | Finance | Composite |
|--------|--------|------|---------|-----------|
| 113.4 | 100.8 | 47.7 | 86.9 | 97.3 |

Standard & Poor's

| | | | | |
|--------------|-------|-------|-------|-------|
| 400 Indust | 189.7 | 187.0 | 187.4 | -0.51 |
| 20 Transp | 31.4 | 30.7 | 30.7 | -0.33 |
| 40 Util | 69.0 | 68.0 | 68.2 | -0.85 |
| 40 Financial | 18.5 | 18.1 | 18.1 | -0.38 |
| 500 Stocks | 168.3 | 165.8 | 166.2 | -0.51 |

Dow Jones

| | | | | |
|-----------|--------|--------|--------|--------|
| 30 Indust | 1260.3 | 1252.3 | 1253.1 | -10.99 |
| 20 Transp | 609.8 | 592.4 | 596.4 | -6.81 |
| 15 Util | 132.4 | 129.1 | 130.5 | -3.91 |
| 65 Comb | 510.9 | 498.6 | 501.6 | -6.08 |

The American Stock Exchange

MOST ACTIVE STOCKS

WEEK ENDED JAN. 20, 1984

| Company | Sales | Last | Prev. | Net Chg |
|----------|-----------|--------|-------|---------|
| DomeP | 1,520,400 | 3-5/16 | 34 | + |
| WangB | 1,518,400 | 34 | 34 | + |
| BAT | 1,158,700 | 2% | 2% | +3-1/16 |
| Vrbm | 1,120,200 | 14% | 14% | -2% |
| DorGas | 1,037,700 | 21% | 21% | + |
| InstSy | 821,000 | 3% | 3% | + |
| Amdhl | 757,300 | 19% | 19% | + |
| TexAir | 638,500 | 8% | 8% | + |
| MchGn | 536,600 | 5 | 5 | -1 |
| NY Times | 473,200 | 25% | 25% | + |

MARKET DIARY

| Advances | Declines | Total Issues | New Highs | New Lows |
|----------|----------|--------------|-----------|----------|
| 351 | 409 | 914 | 83 | 12 |

VOLUME

| VOLUME (4 P.M. New York Close) | Last Week | Year To Date |
|-----------------------------------|--------------|-----------------|
| Total Sales | 32,425,340 | 103,100,540 |
| Same Per. 1983.. | 43,062,750 | 143,498,685 |

The New York Times

Founded in 1851

ADOLPH S. OCHS, Publisher 1896-1935
ARTHUR HAYS SULZBERGER, Publisher 1935-1961
ORVILLE DRYFOOS, Publisher 1961-1963

ARTHUR OCHS SULZBERGER, Jr., Publisher
A. M. ROSENTHAL, Executive Editor
SKYMOOR TOPPING, Managing Editor
ARTHUR GELB, Deputy Managing Editor
JAMES L. GREENFIELD, Assistant Managing Editor
LOUIS SILVERSTEIN, Assistant Managing Editor
MAX FRANKEL, Editorial Page Editor
JACK ROSENTHAL, Deputy Editorial Page Editor
CHARLOTTE CURTIS, Associate Editor
TOM WICKER, Associate Editor
JOHN D. POMFRET, Exec. V.P., General Manager
LANCE R. PRIMIS, S.V.P., Advertising
J. A. RIGGS JR., S.V.P., Operations
HOWARD BISHOP, V.P., Employee Relations
RUSSELL T. LEWIS, V.P., Circulation
JOHN M. O'BRIEN, V.P., Controller
ELISE J. ROSS, V.P., Systems

Super Sports

For both sport and violence, we much prefer the performers in today's Super Bowl to those of the Super Powers. But it occurred to us this past week that at least on television, football and diplomacy were rapidly converging, and in an instructive way.

Observing Secretary of State Shultz's encounter with Andrei Gromyko, we could not get our mind off John Riggins and Lyle Alzado. Mr. Alzado, of the Los Angeles Raiders, said he was looking forward to "tearing the head off" Mr. Riggins of the Washington Redskins in the professional football championship this afternoon. Then the two of them suddenly appeared smiling on the screen.

Said Mr. Riggins: "I was looking for a nice soft spot on the grass so that when he knocks my block off, it won't bounce too far. I hope he's enough of a gentleman so that when my head falls off, he'll hand it back to me."

Said Mr. Alzado: "I'll put his head back as long as he takes the cleat marks out of my chest."

Now that's diplomacy of the highest order, worthy of the professionals who met at the conference on East-West security in Stockholm last week. Their scrimmage began with President Reagan's announcement that the American missiles finally felt powerful enough to dare to face the Soviet Evils in negotiation. Mr. Gromyko replied by calling for America's head, vowing to resist the Reagan team's "maniacal" enmity and "war hysteria."

A Train of Disasters for Nuclear Power

A weeklong train of disasters has put the nuclear power industry through its darkest days since the accident at Three Mile Island:

□ On Jan. 13, Commonwealth Edison was denied a license to operate its \$3.4 billion twin-reactor Byron plant at Rockford, Ill., because Federal regulators found widespread failure to assure the quality of construction. The utility, which operates seven other nuclear plants, is one of the most competent in the field. Such stinging criticism of it casts doubt over the average level of management in the entire industry.

□ On Jan. 16 the Public Service Company of Indiana said it would quit work on its Marble Hill nuclear plant, for a loss of \$2.5 billion. That makes it the most expensive utility abandonment ever. Investors face a 65 percent reduction in dividend income and customers a 14 percent rate hike for a benefit they will never receive.

□ On Jan. 17 a committee of the Cincinnati City Council called unanimously for abandoning the Zimmer plant at Moscow, Ohio. The Nuclear Regulatory Commission had halted work on the plant in 1982 because of shoddy work and forged documents, but \$1.7 billion has already been invested.

And that same day, a Federal inspector found numerous small cracks in the already deeply troubled \$4.4 billion nuclear plant at Midland, Mich.

This cascade of setbacks springs from deep-seated generic problems. The nuclear industry blames regulatory changes and high inflation, but that is only part of the story. Poor management is the common thread in most nuclear tangles.

Many utilities are too accustomed to the don't-fix-till-broken mentality that they acquired in run-

ning coal plants. Many have thus failed to adapt to the far more exacting demands of building and running nuclear plants. Instead of acquiring the technical expertise to stay on top of problems, they left too much to architect-engineers, who have not served them conspicuously well. And manufacturers added to the problems by scaling up to large nuclear reactors before they had mastered smaller models.

But the greatest blame belongs to the Federal Government, which let shortsighted enthusiasts of the atom preach and practice nuclear power before either its safety or economic efficiency was fully established. Instead of improving the immediate economics of nuclear energy, the Reagan Administration compounded past errors. Its theorists are too good for this world; almost every step they take is for a distant future — which the nuclear industry may not survive to enjoy.

The Energy Department has pushed for the Clinch River breeder reactor, a project that could become viable only in 50 years, if then. It helped drive up the price of nuclear fuel with ill-considered investments in unneeded enrichment capacity. It pursued credit for lifting the ban on reprocessing spent fuel, now a moot issue. It has opposed research to improve fuel efficiency. It plans to gut the nuclear regulatory process when even the present system has not proved rigorous enough.

Most ironically, the Administration, the apostle of economic deregulation, has failed to make electricity generation more competitive — failed to create the very condition in which nuclear energy, with its cheap fuel, could come into its own. The nuclear industry has enemies, but none have treated its real needs more cruelly than its supposed friends.

adds traffic to the already crowded spectrum. Radio engineers point out that the only way to create more room for radio broadcasts is to squeeze in more channels by the "single sideband" technique. Because this requires new equipment or expensive retrofitting, it is opposed by the third world.

Babel was not destroyed in a day. This session of the world radio conference may be counted a success if it merely defines the major issues to be addressed at yet another session in 1986. One is the advantage of compressing double sideband transmissions to single sideband, a long-term development that should be put in train now. Another is making all broadcasters aware of how heavily Soviet jamming adds to the congestion. The freer the air, the more room for all.

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Jostling and Jamming at Geneva

The delegates to that international linguistic conference that resolved millennia ago to construct the tower of Babel at least reached agreement. A more daunting challenge faces the World Administrative Radio Conference now under way in Geneva.

WARC's task is to bring order to the increasingly crowded section of the globe's airwaves that are used for high-frequency broadcasting. Third-world countries demand a larger share of the available broadcasting channels, now dominated by the West and the Soviet Union.

The Soviet Union backs a Unesco-sponsored scheme to insure governments the right to control news outlets and access to airwaves. Western nations reserve the right to get their messages through Soviet jamming by switching frequencies, which

adds traffic to the already crowded spectrum. Radio engineers point out that the only way to create more room for radio broadcasts is to squeeze in more channels by the "single sideband" technique. Because this requires new equipment or expensive retrofitting, it is opposed by the third world.

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The Worm and the Apple

Season's Greenings

Concert Compensation

Diana Ross deserves an apple, if slightly mushy, for finally making good on her pledge to finance renovation of a Central Park playground, even though an accounting shows only slight profits from her concerts last summer.

Her gift of \$250,000 strengthens the city's new policy of demanding six-figure advance contributions from big-name entertainers who use the park.

The city spent \$650,000 to police and cleanup after the concerts, plagued by weather and violence, and hoped to recoup some of that from the deal it had made with Miss Ross and her producers, Paramount Pictures and

Anald Film Productions, for a share of videotape profits.

Though such sales are likely to gross \$1.5 million, Paramount has submitted an accounting showing large expenses and eventual profits of only about \$14,000. Anald may yet claim additional costs.

Whether to be skeptical about those figures is a matter for city auditors. For the future, the city needs to insist on just compensation in advance. Entertainers can profit handsomely from publicity even if revenues only cover expenses. Diana Ross's gift sets a welcome standard.

Afterlife

In January there are always more trees on the streets of New York than

in any other month. Many of them are dead, abandoned to the gutter. They're the Christmas trees that not many days ago were welcomed into homes, decorated and enjoyed.

Cast aside now, they're a sorry sight. They deserve a better end, and in fact, that is what the New York City Sanitation Department is giving them.

Collected from the streets, the trees are fed into two wood-chipping machines that turn them into wood-chip mulch — excellent organic winter insulation for city plants and live trees. The Christmas tree mulch is free for the taking from the department's Gansevoort Street salt yard off West Street in Manhattan.

An apple to the Sanitation Department for giving the discarded Christmas trees an afterlife.

Letters

Tough New School Taskmaster: The Computer

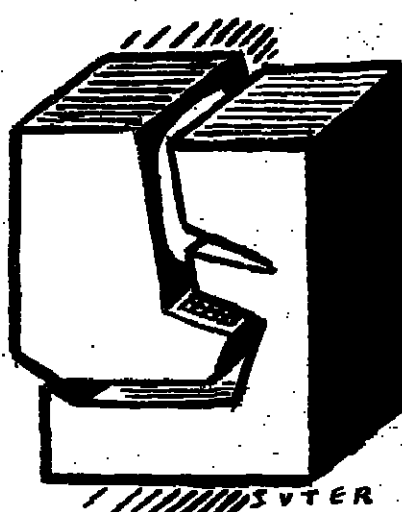
To the Editor:

As a teacher of elementary school math and computer programming, I agree with Howard Ullman that a computer is not mandatory for academic survival at this time ("False Notions About Computers," Op-Ed Jan. 13). However, his statement that computers do not insure "against incompetence and woolly thinking" contradicts my experience.

In the last two years, I have seen the computer become a tool that demands competence and clear thinking. In many ways, planning, writing and correcting a computer program is more demanding of a student than preparing a normal class assignment.

The computer is a taskmaster that will only accept excellence in form and immediately rejects inadequate work, either by not performing or by not producing the desired outcome. For the child, there is intrinsic motivation built into attaining power over this demanding machine.

In teaching second- through eighth-graders to program in both the Logo



and Basic computer languages, I have seen tangible evidence of children using programming to learn how to think. The process of creating a program is the process of ordering ideas. Using Logo, a language with graphic drawing capabilities, a child simu-

lates the architect's process from sketch to blueprint to builder's instructions as she goes from the conception of an idea — "I want to draw an ice cream cone" — to the completion of the colorful graphic image (including a cherry on top), to formally writing a step-by-step procedure that allows the graphic to be saved on a disk.

Children often begin by perceiving the computer as another arcade game they can play without putting out much effort. They soon develop a respect for the demanding critic that is the computer as they modify their programs and "debug" mistakes in their own logic or syntax that prevented their project from being executed as originally planned.

Besides the intense demand for logic and accuracy (in spelling as well) that programming demands, there is a mathematical component in Logo. Children estimate distances, use radii and arcs of circles, think in terms of degrees of rotation, use variables and see the effects of variation. These are concepts rarely used by elementary school students. What better way to prepare for high school algebra, geometry and trigonometry?

In our school, the influence of computer study has spread to the liberal arts as well. Flow charts, formerly used only to plot the logic of a computer program, are written for social studies projects (e.g., "How a Bill Becomes a Law") and language arts projects ("Forming Possessives").

While a computer is not mandatory for any of the above skills development, it is the catalyst. Its entrance into our school's curriculum has only improved the thinking skills of my students.

I am also confident that the observable aspects of that improvement are only a glimmer of the deeper benefits that will be evident when these students apply the skills of patient planning, attempting and re-evaluating their work to all aspects of their higher education and real-life problem-solving.

GAIL E. GABLER
Brooklyn, Jan. 16, 1984
The writer teaches at the Manhattan Day School.

Educators Who Are No Educators at All

To the Editor:

If Robert Oliphant's "A Wolf in Sheepskin Clothing" (Op-Ed Jan. 14) is meant indeed to be an ironically humorous critique of professors who might seek to justify sexual harassment of students by convenient and self-serving appeals to academic freedom, then, as a humanities professor, I would unequivocally evaluate his column as a literary failure.

But if, as it seems, Oliphant is formulating some vague argument that females must endure "offensively sexist, boorish and uncivilized" harassment as part of the price to be paid for the educational advancements of this century which made their presence in universities in large numbers possible, then, as a philosophy professor with professional and personal concern for truth and ethics, I would unequivocally evalu-

ate his column as a moral failure. Professors are charged with the responsibility for educating students for the benefit of the students. The few who abandon that responsibility (Oliphant's Professor Pinch et al.) are no longer professors or educators but rather manipulators perverting students' trust and naive admiration from activities intended to be beneficial to students to activities altogether separate from the roles of student and educator.

(One can only reiterate here for Oliphant this point made more clearly by Plato at the end of Book I of his "Republic": the governor who does not govern for the benefit of the governed is no real governor at all.)

RICHARD C. TAYLOR
Assistant Professor of Philosophy
Marquette University
Milwaukee, Jan. 15, 1984

As Time Grows Short For an Energy Policy

To the Editor:

Recently published data concerning Texaco's depletion of its fuel reserves illustrate the alarming state of our national fuel supply. Texaco's decision to acquire Getty may be a windfall to Getty and a necessity to Texaco, but neither attribute satisfies the national need for self-sufficiency in energy. Before this decade is over, the Alaska North Slope oil will be consumed and we will be increasingly at the mercy of foreign oil supplies.

Unfortunately, we have wasted several years of reduced demand and moderating prices, time in which we could have developed a long-term energy policy. Instead we have gone in the opposite direction: Big cars are growing in popularity, research into alternate energy sources has been reduced and nuclear energy opposition is mounting. We have not reduced our dependence on oil, we have not found enough domestic oil and we have not developed alternate energy.

I hope that the next administration will have the courage to recognize energy independence as a national priority and will devote the necessary money and resources toward achieving that goal.

HARRY P. SCHMIDT
Manhasset, L.I., Jan. 16, 1984

What We Don't Know of Latin America

To the Editor:

The Kissinger Commission report includes the surely constructive recommendation that 10,000 scholarships be funded to enable Latin Americans to study in the U.S. Unfortunately, the report does not seriously consider programs to diminish our pervasive and dangerous ignorance of Latin American history and culture.

Ever since the Monroe Doctrine, we have assumed our primacy among the nations of the Western Hemisphere. Yet as a people we know very little about the civilization of some 300 million neighbors to the south. How must Mexicans have twinged when President Carter made his boorish reference to "Montezuma's revenge"; how must South Americans have grimaced when President Reagan confused Bogota with Bolivia. Such gross, if inadvertent, errors help convince Hispanic peoples that we hold them in low regard.

Paradoxically, our scholars and men of letters have done a remarkable amount of high-quality research and writing on Latin America. Their work provides a base for a systematic effort to correct our inexcusable myopia. For example, at the cost of one military helicopter, we could surely

produce an exciting and enlightening television series that would give us some insight into the cultures of the people we presume to lead.

That the commission virtually ignored this general consideration is consistent with our history of condescension toward Latin America. So long as we maintain that condescension, corresponding resentments will inevitably damage our interests.

THOMAS V. ROBINSON
Professor of Management, Pace Univ.
New York, Jan. 14, 1984

Disparaged by Omission

To the Editor:

Your Jan. 2 editorial about the Federal Aviation Administration stresses Lynn Helms's competence, proficiency and decisiveness. So far so good. By why imply that all the rest of us former Administrators were political hacks or lacked competence? After all, my children read your newspaper, and they already know I don't walk on water. But they don't know I'm incompetent.

JOHN L. MCCLUSKEY
Alexandria, Va., Jan. 6, 1984
The writer was F.A.A. Administrator from 1975 to 1977.

The American Fault in a German 'Problem of the Spirit'

To the Editor:

Was it not very recently that Arthur Burns, in a thoughtful essay, wondered why so many West Germans seem disenchanted with the U.S.? (Op-Ed Jan. 27). William Safire's less thoughtful essay on "The German Problem" (Jan. 8) offers some clues.

West Germans are not only aware that they are highly dependent on U.S. politics, they are also beginning to realize that most U.S. politicians and public opinion leaders neither care much nor are well informed about Germany. Mr. Safire comes forth with brush statements based on partial information; many Germans fear that some U.S. leader might in a similar fashion come forth with rash action.

Germany has not abandoned the work ethic, in spite of the high rate of Government spending and some abuses of its excellent social security system. Not all is well, but pessimism has been a common phenomenon in public debate since the days of Adenauer.

Still, traditional industries have surely fared better than most of their U.S. counterparts, public debt is not nearly as high as in the U.S. and seems to be coming down and the monetary value of West German exports still is higher than Japan's.

True, Germany has not been much of a leader in microelectronics and biotechnology, but don't count the Federal Republic out yet. After all, Hoechst's biotechnical know-how agreement with Harvard indicates a high degree of motivation.

Mr. Safire's linking of recent and possible future deals with Germany's

economic malaise (as he sees it) seems to make sense, but the causal connection is hard to establish. The Federal Republic has had extensive trade contacts with the Soviet Union and with the Arab world for a long time, certainly longer than any perceived lagging behind in "21st-century technologies."

Thus, it is hard to see why the Siberian gas pipeline deal must be prompted by heedless economic despair. How about the "morally demanding" (?) schemes of American farmers to sell grain to the Russians?

Saudi Arabia, which is not only close to Israel but also to the Ayatollah, has bought arms in the past — certainly not from West Germany and not from the Soviets.

As far as the Saudis' longstanding wish to modernize with German weapons is concerned, I am happy to see that for once Mr. Safire takes the same line as the Social Democratic Party of Willy Brandt and Helmut Schmidt: the Social Democrats have consciously tried to avoid the sale of German arms to the Middle East, in spite of the consequences for West German employment and although other Western nations have not been so reticent.

The West German peace movement has taken a stand against all arms exports. In the past, conventional politi-

cal means were sufficient to prevent glaring circumventions of West German law concerning arms export. Now that the "conservatives" are forming the Government, the peace movement may feel compelled to take its stand in the streets. Members of the West German peace movement may be naive, but they are not as bigoted as Mr. Safire seems to think.

One must fervently agree with Mr. Safire's wish that no German arms help kill anyone in the Middle East — and, indeed, armaments are just about the only area in which West Germany is not a major exporter. Still, Mr. Safire's opinions about the Federal Republic and its official and unofficial institutions could use more balance.

The "German problem" may indeed be a problem of the spirit. Germans, for the most part, would rather live under Andropov than die for Reagan; they would rather be Red than dead, as it were. It is partly up to the U.S. to show that it considers its strongest Western ally to be more than a pawn in its struggle against a Communist conspiracy. Taking more than a fleeting interest in Germany might be a useful first step.

K. ECKHARD KUHN-OSIUS
Assistant Professor of Germanic Languages, Columbia University
New York, Jan. 8, 1984

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WASHINGTON

State of the President

By James Reston

The problem is that after the President presents his vision of the state of the Union and the world, the audience changes. The TV commentators, the editorial writers and the columnists discuss the President's claims.

But meanwhile, most of the TV audience has turned out and switched to a main conflict they can understand, not between the Republicans and the Democrats, or between Moscow and Washington, but one like that between the Washington Redskins and the Los Angeles Raiders in the football Super Bowl clash in Tampa.

How to explain that we now have al-

most 26 million people who are functionally illiterate? What to do about the fact that we've lost control of our southern border and now have more illegal aliens than we have unemployed? What to do about the divorce rate and the collapse of so many families, and, most important, about our abandoned and battered children? Surely these things have something to do with the state of the Union. But we are talking here in Washington mainly about missiles and "interests" and the health of Yuri Andropov in Moscow, and not really about the health of the Union.

The political game is being played out here by both parties in the usual way. The Democrats are fussing with each other as usual, squabbling about the state of the party, and how to allot seats to Jesse Jackson at their nominating convention.

But they are not defining their vision of the state of the Union, or insisting that after President Reagan speaks, Fritz Mondale or some other Democratic Presidential candidate will come forward with the opposition's vision of the future.

Mr. Mondale is concentrating on getting his party's nomination. He is doing an effective job of organizing the labor union leaders, teachers, blacks, Hispanic-Americans and the young, troubled anti-arms race voters in the universities and the churches. And he may be right, but he's not giving the American people his vision of the future.

One thing at a time, Mr. Mondale seems to be saying. First the caucuses in Iowa, and then the primary election

in New Hampshire. Avoid a fight with Jesse Jackson and keep the black vote in the big industrial and electoral states. And then, if I can get the nomination, take on Mr. Reagan and his economic and foreign policy problems.

Mr. Mondale would like to follow President Reagan with his own State of the Union address, and then have a debate about who's right, but nobody is going to give him equal time after the President speaks, or allow him to question President Reagan's recent quotation from the Bible: "Your old men will dream dreams, your young men will see visions."

The President is dominating the debate with his White House booklet — "Three Years of Accomplishment" — and with his address on the State of the Union. Mr. Mondale knows he cannot compete with the power of the Presidency, so he is concentrating on beating John Glenn for the nomination, and hoping that he can deal with Mr. Reagan and Mr. Reagan's record later in the year.

WASHINGTON, Jan. 21 — At the end of President Reagan's third year in office, the White House issued a booklet claiming that he had accomplished more in three years than most Presidents do in four.

It listed "17 key achievements," including reducing inflation, cutting personal tax rates, indexing the tax code, accelerating the tax depreciation schedules for business, ending the "malaise and hopelessness" that the Federal Government had propagated, and establishing "more stable and peaceful relations with the Soviet Union."

This was sort of a briefing book for the President's State of the Union address, but it tells us something about the state of the President, if not about the state of the Union.

The Founding Fathers obviously had a good idea — not only for governments but for all institutions, including the press — that from time to time responsible officials should sum up where they are and where they're

going, and let the people judge. But it's not easy for the people to judge the state of the Union in these television days. Nobody can blame the government in power for arguing its case and proclaiming its achievements, but there's no coherent debate on the Reagan Administration's vision of the state of the Union.

Did the Administration really end the "malaise and hopelessness," if it was ever true, of the American people? Are the American people, in Mr. Reagan's favorite question of the last Presidential election, really more "hopeful" now than three years ago? Do they really believe that he has established "more stable and peaceful relations with the Soviet Union?"

Maybe they do. But the point here is not that the President is wrong to argue his case to a national and worldwide TV audience — the Democrats did the same when they were in the White House — but that this is unequal political propaganda, and not democratic debate.

Cold War Isn't About Anything

By Thomas Powers

SOUTH ROYALTON, Vt. — What is the cold war about? If you replay it with the sound turned off — no speeches, no polemics, no self-justifying history from either side — what do you see? One long progression in the art of weaponry.

Sometimes Soviet-American relations were pretty good, sometimes terrible. The arms race seems to have unfolded independently of both. Détente came and went without visible effect on the real theme of the years since 1945 — preparation for a big war between the United States and the Soviet Union.

Most people find it hard to believe that these terrible weapons are really out there, that they really work and that eventually they will be used if we simply go on as we are. Ordinary citizens get a glimmer of this now and again but it tends to fade. They feel helpless. American officials spend their working lives thinking about the possibility, but deep down they don't really believe there will ever be such

Thomas Powers, author most recently of "Thinking About the Next War," is writing a book on the history of strategic weapons. This article is adapted from a longer essay in the current issue of *The Atlantic*.



a war. They are confident that somehow we will cope.

This optimism lies close to the heart of our national character. History has been kind to us. We may have spent the last 30 years getting ready to fight the Soviet Union, but we believe we can go on as we are, more or less indefinitely, without coming to a big war in the end.

The Russians have had a very different experience in history. They are far from sharing the American confidence that everything will work out

In Moscow last summer, the Russians I talked to for the most part sounded melancholy and alarmed. They were troubled by the arms race on the ground in Europe and very much frightened by the prospect of an all-out East-West competition in high technology, space-based weaponry. The Russians insisted they would keep up, but to me they sounded uncertain, not confident. I heard many Russians say that they felt it would come to war in the end. I have never heard an American official say this.

One man — a journalist with no real access to Soviet military thinking — even told me that Moscow might be forced to launch a pre-emptive attack on the United States if we seemed to be taking a decisive lead in the arms race. I was astonished by this bald statement and asked the interpreter to make sure there was no mistake. At that point, the Soviet journalist broke into English and insisted that "pre-emptive attack" was not a mis-translation. "It could happen," he said. "We could be forced to do it."

For nearly 40 years, we have been obsessed with the prospect of a big war with Russia. Whole journals are devoted to the subject. Library shelves creak with the weight of tomes on the role of nuclear weapons in such a war. The British military historian Michael Howard is sick of the whole subject. In 1980, he said in a lecture: "When I read the flood of scenarios in strategic journals about first-strike capabilities, counterforce or countervailing strategies, flexible response, escalation dominance and

the rest of the postulates of nuclear theology, I ask myself in bewilderment: This war they are describing, what is it about?"

For the last year, I have been asking this question of American and Soviet officials. Not one had a ready answer, or even seemed to take more than a passing interest in the question. The fact of the matter is that the cold war is not really about anything in the usual sense. It has a history, but the history describes rather than explains it.

There is no single issue at the heart of the Soviet-American conflict, nothing subject to negotiation or compromise. The cold war cannot be settled. It is a relationship between two great nations with the power to injure each other. It is this — the military threat — that obsesses the managers of the cold war, and the perpetual fear of what could happen tomorrow narrows their attention to the awful dilemmas of what to do today.

We must rephrase our question. Perhaps we should ask what sort of event the cold war is. How will it look in retrospect, when it is as far behind us as the Peloponnesian War? Athens and Sparta, Rome and Carthage, Napoleon's France and the rest of Europe all squared off against one another in the past, just as we have done since 1945. Will our rivalry end in the traditional fashion with a big war or series of wars?

It is difficult to think clearly about this question. Our hopes get in the way. One standard formula since 1945 has been to say that we are bound to blunder into war eventually if we go on as we are. This sounds cautious enough. But there is simply too much evidence that we shall go on as we are.

Turn up the sound and listen to what the managers of the cold war are saying: Going on as we are is all we know how to do.

Unesco Is No Guide

By Barbara Tuchman

redress of grievances." If we supported the program of the United Nations Educational, Scientific and Cultural Organization to control journalists, we would be yielding to demands by latecomers to national independence to violate our own free press laws.

We are told that we must sympathetically understand the problems of third world countries in establishing political stability in the face of poverty, limited resources and consequent unrest. As a fortunate country of great resources, we should of course try to help our neighbors cope with their difficulties for the sake of peaceful relations and international harmony. But if understanding

means acquiescing in measures that violate our basic principles, then the answer is no. Once the right to control the minds of its citizens is permitted to a state, there is nothing to stop it from moving on to the control of their bodies, their lives and individual liberties.

It is a recurring phenomenon in history for nations to pursue policies that are counterproductive, as in the case of American belligerency in Vietnam and our presence in Lebanon. Nevertheless, throughout such counterproductive adventures, dissent and protest were never silenced, and indeed their vigorous expression was responsible for the cutoff of funds that terminated the Vietnam War. Clearly,

freedom of speech and press has its value, and America is not going to abandon these principles. Whatever our shortcomings in this realm, the United States remains the country of greatest individual and political freedom in the world. The American people value that possession for all it is worth, and regardless of scattered violations of civil rights and gestures of censorship on the lunatic fringe, we are not, at the bidding of no matter how many third world countries, going to let that liberty be diminished. To recall in 1984 another of George Orwell's somber visions, we are not "Animal Farm" yet, and, it is my conviction, we never shall be.

Third world countries may justify the proposed regulations on the ground that it is the journalist's obligation to serve the state and therefore they must have the right to determine which journalists are acceptable within their borders. I heard the same argument in China with regard

to historians who were being trained. I was told, to write history in a version that would serve the interests of the people. As a historian, I felt my blood run cold. A historian's primary duty is to serve the interests of truth — to tell how it really was. To tell people some twisted version of the past for the sake of serving an ideology is to betray one's function. For all those people who have been forced to do it by torture or prison or deprivation of livelihood I sorrow, and those who had the courage to refuse to bow I honor.

Were the United States to acquiesce in a program of thought control, we would be finished as the country whose proudest statement of the rights guaranteed by the First Amendment was William Lloyd Garrison's "I will not equivocate — I will not excuse — I will not retreat a single inch; and I will be heard!" If only the third world could accept this motto.

The United States was right in announcing its intention to leave Unesco. To expect us to acquiesce in, not to mention actively support, the regulations proposed at the Paris conference on communications for control of the distribution of news is to expect us to spit in our soup, if you will excuse the vulgarity, and I am glad and proud that we did not do it.

Students and apprentice journalists and others who come here on international exchanges to study and work are usually exhilarated by their experience of a nonauthoritarian political system and by the freedom of expression they find. The difficulty comes when they return to their homelands and find restrictions on

Barbara Tuchman, the author, delivered these remarks, adapted here, at the United Nations on Thursday at ceremonies commemorating the bicentennial of the State University of New York.

The Next Latin Debt Crisis

By Sally A. Shelton and Richard Nuccio

have been hit hardest by the financial crunch: urban workers, the lower-middle class, government employees, small businesses and even the newly emerging middle classes, which are already slipping backward down the social and economic scale.

From the point of view of these groups, the banks, the International Monetary Fund and the multinational corporations bear a good share of responsibility for the crisis. These people also resent the United States — with its high interest rates, protectionist trade patterns and big deficits — for its apparent lack of concern.

They have been hit hard by new United States legislation to discourage banks lending overseas just when new money — \$80 billion — is desperately needed to service loans and provide new productive investment. There is virtually no new bank lending, and the multinationals are reluctant to expand investment at a time of recession and uncertainty.

Some Latin Americans are increasingly bitter about those supposedly responsible for the debt crunch: They are reluctant to repay their debts on what they see as inequitable terms and are loath to make the business concessions necessary to attract new foreign investment. This line of thought is still seen as extreme, but it is becoming more common and may

pose a challenge to governments trying to work their way out of the debt crisis in a responsible way. The pragmatic Latin American governments being elected today recognize the need for structural adjustments in their economies and are beginning to create a business environment that can attract new investment. They cannot, however, manage to remain democratic and austere without help from the industrial countries — particularly the United States.

How can Washington encourage responsible Latin American governments to carry out these tough economic reforms?

First, it should support Paul A. Volcker, chairman of the Federal Reserve Board, encouraging the banks to soften loan conditions and cautiously increase new lending. Washington should relax rather than tighten controls over the banks.

Second, it should encourage the International Monetary Fund to relax its stringent loan requirements, taking more account of the human costs of its programs.

Third, it should set its own house in order by cutting the Federal deficit and lowering interest rates.

Fourth, and most difficult in an election year, it should establish a one-way free-trade zone for all of Latin America. This would remain in effect for a limited time while Latin American governments begin to put their own economies in order and nurse their fledgling democracies to adulthood.

Finally, it should consider a commodity stabilization program.

Economic deterioration can become a fertile breeding ground for extremists of many shades, including radical nationalists, demagogic and anti-American militants. To prevent this and encourage the survival of the new pragmatic leadership in Latin America should be the primary goal of United States policy.

WASHINGTON, Jan. 21 — "My countrymen: No, that traditional salutation would be criticized as sexist, and the gender gap is wide enough. 'My friends'? That would evoke memories of F.D.R., but it's informal — had as going without a jacket in the Oval Office. Okay, 'my fellow citizens' it is. Let's get to it."

"My fellow citizens: The State of the Union is terrific!"

That's what I'd like to say in my speech Wednesday, but it would seem boastful. I'll have to put it in a modest and humble way, making a big point to the Congress assembled that I didn't do it alone, but the fact is that the Union hasn't been in this great a state in a generation.

Inflation has been licked. Frankly, I didn't think I could do it this resoundingly. The recession was worse than I thought it would be, but it just goes to show — with a little luck, you can't break eggs without making an omelette.

The recession, which I guess (but can't admit) was the catalyst of the economy needed, produced the lowest inflation rate since Kennedy.

Now the name of the game is recovery without inflation, and that spells prosperity. Oh, I'll have to fret about unemployment — as long as one person in America is out-of-work-type of thing — but the trend is down, and that's always more important than the level. Rather have 8 percent unemployed going to 7 than 3 percent going to 4. Right now, the "misery index" looks pretty good.

Should I denounce the deficit? Sure, why not — can't let the Double-Fritz Octet slip around my right end. The best way to take the zing out of the Democratic attack is to agree that the deficit must be cut. Fact is, most folks don't give a hoot about Federal deficits so long as business is booming and their money is worth something. But in tut-tutting about red ink, I don't want to hint that I may have to raise taxes.

ESSAY

Behind the State of The Union

By William Safire

That's for Marty Feldstein — remember, "stine" — to do, and David Stockman. Let them drop all the hints they want about raising taxes, and not being able to cut spending, and next year we may even go for that sort of budgetcare. By not firing them, I reassure the crowding-out crowd on Wall Street. But I'll stand firm against tax increases, which is right for this year, and besides, that huge deficit makes it that much harder for Congress to pass spending bills.

I'm tempted to take a belt at the bankers for keeping real interest rates up. With inflation down, they're making a bundle. No, that's for Don Regan to do, and maybe we can get Arthur Burns to say something next time he comes home for one of those boring greybeard sessions. I'll stay above the battle, concentrate on growth rates, and talk about "progress" on interest rates, down from 12 percent.

I want to put in a pitch for my space station and remind people I'm serious about "star wars." That antiterrorist deterrent could be my legacy, along with the rebuilding of our defense. I'll pat the military on the back, point out that crime rates are down, and brag a little about how we're rooting out

waste and fraud. But no laundry list — that's not my style. Maybe a sentence on the environment.

On foreign affairs, the state of the world is not so hot, but it never is and I'm not responsible for everything.

In Central America, we reversed the trend in El Salvador by scaring the daylight out of Nicaragua. Big applause line on Grenada. Salute the Democrats for helping on the Kissinger commission, and I mustn't call it that, it upsets the right-wingers.

In the Middle East, although I can't say it, we botched things to a far-thee-well. We should have let the Israelis take care of the P.L.O. in Lebanon, and never have committed American troops. That's why Bill Clark's at Interior. Now I'm not so sure it's a hot idea for us to revive Arafat, but that's the new pitch at State, and I don't want to get involved. Anything that gets us out of Lebanon by April is my policy.

On the state of relations with the other superpower, the new frigidity is not all bad. If the Russians are sore at us, it's for catching up to them and calling their bluff on the missiles. And I wasn't wrong about calling them an evil empire. It's about time somebody did. Let 'em sulk for a while, the way we did after Afghanistan; we got over it, made them a new grain deal; they'll cool off, too. From now on, I must remember to sound conciliatory without sounding soft.

All in all, the speech I give is going to read like a campaign document. The truth is that the State of the Union is not as good as I'll make it sound, but it's a lot better than it was when I took over. Then next Sunday, my campaign committee spends \$400,000 on time for the big surprise.

Then it's off to China in the spring. Some call that Peking too soon, which reminds me: Can the Union stay in this state for nine months? If only we could put everything on hold...

Sally A. Shelton, who was United States Ambassador to the Eastern Caribbean from 1979 to 1981, is vice president of International Business Government Counselors Inc., a firm that analyzes country risks for investors. Richard Nuccio is a program associate at the Latin American program at the Woodrow Wilson International Center for Scholars.

Art

GALLERY VIEW

GRACE GLUECK

In Miami, a Heady Mix of Art Works

MIAMI In a city not exactly swarming with cultural attractions, the opening on Jan. 12 of the new Center for the Fine Arts has caused quite a stir. The first publicly built and supported art facility in Dade County, it's a *kunsthal*, a building meant for the exhibition of art, not its acquisition. It's also the first edifice to be unveiled in the Metro-Dade Cultural Center, a complex of three institutions designed by Philip Johnson that form a kind of palace compound in a mix of Mediterranean styles. (The other two buildings, still in progress, are a public library and a museum of local history.)

And ably shoehorned into the Center, the smallest building of the three, is a spectacular inaugural show, "In Quest of Excellence: Civic Pride, Patronage, Connoisseurship" (through April 22), assembled by Jan van der Marck, director of the new facility. For this \$500,000 extravaganza, 60 museums in 50 cities around the country have lent 203 works — paintings, drawings, prints, sculpture, photographs and examples of the decorative arts, more than a few of masterpiece quality — that range in time from 1,500 B.C. to the present, and across many cultures.

Such a show, like an orgy, doesn't lend itself to reviewing: you take from it what you like and leave the rest for others. But among objects that particularly pleased this viewer are a small Egyptian cat, of bronze and rock crystal, possibly dating from the 15th century B.C.; a Chinese ritual vessel in the shape of an owl, circa 11th-8th centuries B.C.; a Limoges crucifix, 1190-1200 A.D.; a 17th-century Benin bronze figure from Nigeria, and a black-and-white wool coverlet by an unknown American folk artist, circa 1845.

As for paintings, the run is impressive. Particularly noteworthy from the early period are Fra Angelico's "The Temptation of St. Anthony the Abbot," circa 1430, and Jean-François Millet's "Landscape With Mountains and a Plume of Smoke," after 1860. An 18th-century knockout is Tiepolo's "Girl With a Lute," 1753-57. Wonderful portraits include George Stubbs's horse, "Rufus," circa 1762-65; Gustave Courbet's dogs, "The Greyhounds of the Comte de Choiseul," 1868, and Cézanne's "Madame Cézanne in Blue," 1885-87. From this century, to mention a few, there are Marsden Hartley's "The Iron Cross," 1915; Arshile Gorky's "The Liver Is the Cock's Comb," 1944, and Jean Dubuffet's "Topography of a Nest of Stones," 1958. Among the sculptures, Alberto Giacometti's attenuated, life-size bronze, "Man Pointing," 1947, and David Smith's stainless steel "Cubi IX," 1961, are compelling.

Mr. van der Marck himself points out that this collec-

tors' jamboree is the kind of exhibition "usually only seen at world's fairs." And he notes in its elegant catalogue — partially funded by a grant from the Knight Foundation — that it offers "a tribute to the foresight, genius and generosity of those who founded, enriched and led our art museums from the early 19th century to the present day." But, more than an homage to the country's museums, the show is frankly intended to acquaint Miami with the strength of public art holdings in more established cities, made possible by the "civic pride and philanthropy" of individual collectors and patrons. With its wealth of big-name artists and loans from prestigious museums, "Quest" is obviously keyed to what advertising people would call "brand recognition." The names — and the generally high quality of the objects — are meant to dazzle a community in which museumgoing has not had a high priority. And, though the director hasn't come right out and said so, if Miami gets the message that a good public collection can enhance the life of a community, the provision in the Center's charter that allows it only to exhibit, not acquire — a mistake in the eyes of many — may someday be amended.

In organizing "Quest" over a four-year period, Mr. van der Marck aimed at creating what he calls "the museum of my dreams," an ideal gallery of works that would evoke the entire span of art history. Choosing three objects — where possible — from each lending institution, he also tried to suggest the holdings characteristic of each, as evidenced in high periods of acquisition and scholarship. The Cleveland Museum of Art, for instance, noted for its medieval, Oriental, Impressionist and Post-Impressionist collections, has lent an 18th-century Japanese screen, a marvelous 12th-century reliquary in the form of an arm, and a strange, intense painting by Vincent van Gogh, "Mademoiselle Ravoux," 1890. The Whitney Museum in New York is represented by the work of three artists closely associated with its development — Stuart Davis's frothy Paris scene, "Place Paderborn," 1928; Edward Hopper's haunting small-town storefront, "Seven A.M.," 1948, and Alexander Calder's playful wire sculpture, "Cage Within a Cage," 1938. Not to ignore local resources, the University of Miami's Lowe Art Museum in Coral Gables was also tapped for a Chinese bronze, an American Indian serape, a diptych by the 16th-century Dutch painter Adriaen Isenbrant, and Duane Hanson's life-size, realistic sculpture of a sweaty football player.

Meanwhile, another museum has opened this month in Miami, one that by contrast has evolved solely from the personal tastes of a single acquirer. It's the Mitchell Wolfson Jr. Collection of Decorative and Propaganda

Arts & Leisure



Above left, an owl-shaped ritual vessel from ancient China in the exhibition at Miami's new Center for the Fine Arts, and Paul Landacre's "The Press" at the city's new Mitchell Wolfson Jr. Collection of Decorative and Propaganda Arts

Arts, with a holding of more than 10,000 objects in the field of American, English and Italian design and decorative arts, from 1885 through 1945. Really a mix of fine, applied and "popular" arts, it takes in everything from paintings, books, magazines and advertisements to toys, door handles and digital clocks, the whole pursued with a kind of passionate idiosyncrasy that makes it very different from other design collections.

On permanent loan to Miami-Dade Community College — founded by Mr. Wolfson's late father, who also built the Miami-based entertainment conglomerate, Wometco — this fantasia is housed in a small gallery, later to be expanded, at the college's New World Campus in downtown Miami. It's the result of 20 years of tracking by the younger Mr. Wolfson, who credits his interest in both design and "propaganda" to a dual educational background in art history and political science. Not only the objects themselves but their social and cultural context are of in-

terest to the collector, points out Henry Gardner — former director of the San Diego Museum of Art, who now presides over this institution — and the exhibits are thus supplemented by a library of some 5,000 books and periodicals, available to scholars.

Mr. Wolfson himself describes his holdings as "a purely subjective accumulation of art-infused historical documentation," in a catalogue note for the inaugural show, "Brave New Worlds: America's Futurist Vision." And, as the show makes evident, subjective it certainly is, running from pure kitsch to — well, yes, high art. The 350 items crowded on the floor, the walls and in glass cases, convey the "futuristic" fix of artists and designers in the 1920's and 30's, who — in the midst of the Depression — cherished a utopian myth of efficient machines, streamlined transportation, soaring skyscrapers and flawless assembly lines.

DANCE VIEW

ANNA KISSELGOFF

When the Camera Does Our Seeing for Us

Dance on film is seen in so many different ways today that the term, "dance film" hardly remains meaningful. Is such a film a documentary about dance, dancers, a dance school or a dance company? Is it a filmed performance of a ballet or choreography created for film? Perhaps it is a feature film in which dance is used to advance the narrative. And perhaps it is even a blatantly commercial film in which dance is exploited ("Flashdance") for its physical appeal and kinesthetic excitement — disguised as a plot element but actually of little help to the story. Is dance, in fact, becoming a pretext for filmmakers who aren't clear about their goals but who sense that dance on film is no longer restricted to specialist viewers?

"Backstage at the Kirov" and "Carmen" are two of the better, recent, examples of dance on film although each is far from perfect.

"Backstage at the Kirov" is a ballet fan's movie — enabling the viewer to get close to the dancers of Leningrad's famed Kirov Ballet, so close that the same viewer — like the camera — seems to be tagging along behind the dancers. Back, in fact, is the operative word here in this backstage view. Repeatedly, the choreography in "Swan Lake" in this film is shot from behind the dancers' backs. Is this a sin? Yes, because very obviously this choreography was meant to be viewed from the front. Certainly that was the way its creator, the 19th-century Russian choreographer, Lev Ivanov, intended it.

And so "Backstage at the Kirov" is more about camera work than dance. This remark is not an aside (no pun intended) but crucial to the description of the film's most striking aspect. The movie's press material describes it correctly as "a new technique of filming ballet" and this technique, using a portable Steadicam, is indeed startling. Together, the British director, Derek Hart, and his British cinematographer, Ivan Strasburg, have come up with a camera range of extreme fluidity that creates no break as the vantage point changes.

Thus, when the corps of swans in "Swan Lake" enter, the camera snakes out with them and then suddenly affords a brief frontal view of the dancers from stage left. There is no break in rhythm or consciousness of different frames. Whatever the angle from which the dancers are shot, their movement flows uninterrupted. The camera unobtrusively views them from above or in the round without our awareness of how our eyes reach that point.

In effect, Mr. Hart does the selecting for us. The fault of his method (but not of the technique itself) is that he loses the choreographic patterns. No one viewing this film could know what Act II of "Swan Lake" is about in terms of plot. Nor could anyone understand the full structure and design of this scene, although the set pieces and corps work are presented in the right order — spliced with interviews and backstage shots.

At various moments, "Backstage at the Kirov" tries to be a film about "Swan Lake," the Kirov Ballet, its corps and more specifically about Altyon Assymuratova, the young corps member who was the unexpected sensation of the Kirov's 1982 season in Paris.

None of these aspects is developed completely enough to be satisfactory. However, if you want to see what all the fuss was about in Paris, the film is a must for those seeking a peek at Miss Assymuratova. Unfortunately, we do not see much of her dancing as Mr. Hart's insistence on photographing her from the waist up is understandable in terms of her beauty but does not tell us much about her technique, which is perhaps not as strong as her remarkable stage presence.

Mr. Hart is clearly in love with the Kirov as a whole. The film starts with an introduction to its history and promises to focus on the company's incomparable corps. History is followed by an explanation of the training, with shots of charming 10-year-olds and hard-working 16-year-olds. The goal of this training is theater — symbolized by shots of stagehands raising a grimy backdrop that will turn magical at night.

We get to know Miss Assymuratova better. In a dressing room gossip session, she tells a friend that "some guy made a pass at me," and wrote her about her spreading fame. "What fame? He must be crazy," she squeals in what is otherwise a seductively sleepy voice.

When the piecemeal presentation of "Swan Lake" is then worked in, the film splatters in several directions. The imposed vestige of a scenario raises certain questions. The theme, ostensibly, is how Miss Assymuratova, a corps member, readies herself for her debut as Odette in "Swan Lake." We see her rehearsing with her husband, Konstantin Zaklinsky, and coached by Olga Moiseyeva (now in her 50's), who was Rudolf Nureyev's very lively partner at his Paris debut in 1961. The scenes with the Kirov's coaches and teachers are, incidentally, among the best in the movie.

As Miss Assymuratova says, being in the corps is harder than dancing a solo part where you have more freedom. Nonetheless, we never get to judge. In this respect, a tinge of dishonesty creeps into the film. The final shot is of Miss Assymuratova after a real performance of "Swan Lake." The color quality of this shot is different and Rothbart, the evil magician, is in the curtain call but not in the "Swan Lake" we have seen.

The truth is that Mr. Hart, through the connections of Armand Hammer (the American producer is Armand Hammer Productions) was able to close the Kirov Theater for four days and conduct his filming on stage in what is obviously an empty theater. The 200th anniversary of the Kirov in 1983 is advertised on a poster in the film. Miss Assymuratova's debut as Odette, it is implied, took place at that time. Actually it occurred a year before. The suggestion that we are seeing a live performance in a full house is a) naughty because it isn't true, and b) confusing, just like this well-intentioned film.

Mr. Hart, a former dancer who was a member of the Stuttgart Ballet and Ballet Rambert, was once married to Marilyn Trounson, remembered for her waif-like quality in the Royal Ballet. Miss Trounson was an assistant on this film, which includes shots of Mr. Hart's present wife, a Kirov dancer named Ludmilla Lopukhova.

Falling in love with dancers is apparently not difficult — a theme that the great Spanish dancer, Antonio Gades, takes up with a vengeance in "Carmen." This is the second film he and the director Carlos Saura have made together and like their first, "Blood Wedding," it stylizes an earlier work of art by placing it in a dance rehearsal context. There is one big difference. The outer frame for the dance here is now a feature-film plot in which a choreographer (Mr. Gades playing a figure like himself) falls in love with a dancer he has chosen to portray Carmen in his flamenco version of the opera.

Until the ending, which offers too pat a parallel to the original story, the analogy works. The method is interesting. The Bizet music accompanies only the real-life plot and acts as a cue to each dramatic episode that follows. The dance sequences are to Paco de Lucia's guitar rhythms or the dancers' own.

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A failure to foster the right attitudes

By LEA LEVAVI/Jerusalem Post Reporter

WHEN A visiting professor asked high school students at the American International School in Kfar Shmaryahu what skills they think they will need as adults, some answered ruthlessness. Prof. Douglas Heath, a psychologist from Haverford College in Pennsylvania, was not as surprised by that answer as were others in the audience.

"I see a tendency at all the schools I visit in the U.S. and abroad for children today to be more amoral and more self-centered than previous generations," he said. At the same time, he said, children today tend to be deeply principled, to believe in equality across racial, religious, sexual and social class lines, and to demand basic equity and fairness.

Women, American blacks, gays and the handicapped — groups that have only recently "broken out" of very limiting role stereotypes — tend to over-react by becoming self-centered in their new freedom, he said. Eventually, though, "the rubber band snaps back" and a better balance between self-interest and caring for others is reached. Teenagers, he said, may feel oppressed if their parents demand academic excellence, or expect them to pursue a particular vocational goal not of their choosing. Self-centeredness could be a reaction to that, he said.

Though he obviously does not

think schools should teach ruthlessness, he does think there are skills and attitudes that schools should, but do not always, foster. Many men are not good managers, because they do not know how to establish good interpersonal relationships, he said. For the same reason, now that women do not need marriage for economic security or to legitimize sex and childbearing, men's weakness in interpersonal relations can and does destroy marriages.

Women, on the other hand, are brought up to please others and do not always develop real self-images of their own. He has been doing longitudinal studies on successful women (now in their forties) whom he has followed since their teens. He found that women "are not similar to any occupational group" in their scores on the Strong Campbell psychological test which measures an individual's temperamental fit by matching his or her tastes with those of people who are successful in a variety of occupations. It is as if the only occupation for which women are suited is wife and mother, he said. (That occupation is not measured at all by the Strong Campbell scale.)

One woman described herself as a collection of roles put together by a committee.

PROFESSOR HEATH advocates community service (including service to fellow pupils) as a way to in-

roduce girls to "the real world" and to teach boys that caring about others is not unmanly. Teachers should also show by word and deed that loving and caring are good values, he said. "I visited one prestigious school in which a child told me that the competition is so keen that she would not dare help a fellow pupil. That sort of thing should not be allowed to happen."

Heath, who has done considerable research on the "climate" and morale of students and faculty at private and public schools, says morale in public schools in the U.S. is "very low."

"Many schools are too large. If I were on one of those national commissions on education, I would recommend that a junior high or high school not exceed 600 pupils and an elementary school should have no more than 300." He said these commissions, which are trying to cure the ills of American education, are seeking quick solutions and are not giving sufficient attention to issues of morale, to relations among pupils and between pupil and teacher, and to other issues affecting what kind of citizens today's pupils will be tomorrow.

Heath addressed students and parents at the American International School, and held a three-day workshop with the school's faculty, but did not have the opportunity to visit Israeli schools or to share his ideas with this country's educators.



WATCH OVER the Knesset — for that is your democracy!

That was the message Knesset Speaker Menahem Savidor conveyed to the editors of daily papers whom he invited to celebrate the Knesset's 35th anniversary last week. The press, he felt, was unduly harsh with the nation's parliament. Well, perhaps not harsh, but disdainful, which is even worse.

The Knesset performs a vital function as a legislative body, as the chamber which elects the government and supervises its activities. It is a forum for the clash of opinions. Savidor and other members of the House felt the Knesset has the right to expect more deferential treatment from journalists.

The fact is that the Knesset probably gets more attention from the press in Israel than older parliaments in bigger countries get from their popular press. It is because journalists respect the Knesset that they expect it to behave better than parliaments do.

The way of parliament

By SRAYA SHAPIRO/Jerusalem Post Reporter

SOME JOURNALISTS, television reporters in particular, delight in harping on the fact that most sessions take place in an almost empty House. But this is quite normal in parliaments, especially where, it seems, dazing while someone else is at the rostrum is a regular phenomenon. It is not often that a party spokesman, reading a "speech" from a typescript, can surprise the audience; when such a surprise is possible, the House is full.

A parliamentarian's business is to channel the desires of the people, his voters, to the conscience of the legislative body; this is done through visits and interviews, not in the House. But it is a parliamentarian's duty to be in the House when a vote is taken, for this may settle the fate of the government.

A government must rely on the steady support of the majority; this is the democracy we practise. A

parliamentarian who fails to vote really fails to fulfill his duties. But it is the parliamentarian who fails, not the reporter who notes the fact.

THE PARLIAMENTARIAN is guilty of contempt of the House when he blatantly abuses his colleagues, or when he vociferously heckles the speaker on the rostrum, as if he were haggling in the shuk. The Knesset is supposed to be a meeting point for all opinions. That is why in Israel the voter is asked to support a party, which promotes certain ideas, not an individual. When the elected few forget their duty to national unity, they should be stopped, or expelled from the forum for good.

Of course, our MKs are not elected to the Knesset for their direct appeal to the masses. They belong to parties, and serve them. It is the party, any party, which should keep an eye on the behaviour of its members. The Knesset Speaker can hardly act as their schoolmaster.

The censor's decision

By ALEXANDER ZVIELLI/Jerusalem Post Reporter

Klarman, Stavsky, Yellin-Mor and Begin. They crowded over the long wooden tables, pounding out their ideas and enthusiasm on old typewriters.

They were a busy lot, who spoke several languages, knew so much and hardly had time or patience for the likes of me. I became friendly, however, with Ephraim — or Doctor Ephraim, to be exact — a philosophical scholar, employed as a part-time proofreader. (Another proofreader was Isaac Bashevis Singer.)

It was Ephraim, an ambitious and frustrated scholar, who suggested that together we should write and publish a study on the utterly hopeless situation of Polish Jewish youth. "We all suffer from the same discriminatory, oppressive and reactionary regime," he said. "We must expose the world we live in and fight anti-Semitism in the only way possible."

"You have just graduated, and you know how narrow your opportunities really are," he told me. "Write about yourself. Describe the experience of your peers. Write about the *numerus clausus*, about violence at the universities, closed borders, unemployment, about all the opportunities closed to us and enjoyed by others."

"I have just received my doctorate in literature," he continued. "Although I have a rare command of the Polish language, I would have starved had I not been lucky enough to get this proofreading job. My less

able Polish colleagues are already teaching at university. Let us write about it and make a timely protest."

"And who will publish this book?" I asked naively.

"Your father, of course," replied Ephraim. "He will be proud to have a son who is a writer at 18. Anyhow, with his turnover, it won't cost him a zloty."

I DIDN'T need much convincing. After winning third prize (15 zlotys) in Janusz Korczak's literary competition organized by the *Mazowiecki* youth supplement, I was regarded by my family as a promising literary talent. And, after a few objections, the means to publish our book were made available.

I had to sit down and write my observations; to my great surprise, Ephraim's contribution was almost ready.

I examined the reality around me and found it much more depressing than superficial inspection had showed. Jewish youth in Poland had no future. No one knew where to look for salvation — except for a few eager Zionists, who opted for *hachshara* (pioneer training) or enrolled at the Hebrew University, and Communists who were hoping for a world revolution.

Every door was tightly closed. Anti-Semitic Polish academics beat their Jewish colleagues to places at the universities, including the Jewish-founded and built

Wawelberg High Technical College.

The army, police, railways, post office and other civil service jobs and teaching posts in secondary and primary schools were open to Polish candidates only. No great skill as a writer was needed to convey the gravity of the situation.

I finished my manuscript in six weeks. It's easy to write when you have something to say.

BY THE END of September 1938, the book had been set up and printed. Some 160 pages in soft cover, it seemed to me a fascinating document. But *The Problematic Future of Jewish Youth* never saw daylight. The Polish police confiscated the entire edition directly from the bindery. Our book had been censored.

The police didn't leave us a single copy — just a notice stating our right to appeal against the censor's decision.

"Don't go," urged my father. "You don't know the real world yet. You'll be blacklisted, never allowed to study here. You'll only get yourself exposed to much unnecessary persecution."

"Go," said Ephraim, apologizing that he could not accompany me, since he had just applied for a part-time teaching post in a Jewish elementary school and could not afford to be blacklisted.

"Perhaps the censor will ask for a few changes, and allow the book to appear after all," he argued. "You

are young, and your father is wealthy. The world belongs to the young," he insisted, as if this had any bearing on the case. "After all, all we've done is describe the existing situation."

THE CENSOR'S hearing was set for October 1. Many years have passed since that day, and I cannot recall exactly where it took place. But I do remember the dark, seemingly endless corridors of the state security offices and the armed guards at the gate. I also remember the interminable waiting.

I was not alone. A tall, blond fellow with a tiny nose in a long face sat next to me. "I am Fedorenko, Mikhail Fedorenko, a Ukrainian poet," he introduced himself.

He was my first poet and my first Ukrainian. I thought they belonged to history books. Here was a flesh-and-blood poet, apparently a rebel, listening to my tale.

"You Jews," said Fedorenko without malice, "you think that you are the only ones who suffer. Just look at us and our perpetual slavery. I have written over 25 books and a few hundred poems. Many have been censored and confiscated. But I will never give up my just struggle."

We waited in silence — a Ukrainian poet and a Jewish youth in the Polish Censor's Office. I felt almost proud, fancying myself, like Fedorenko, a fighter for my people's rights, an author of a manifesto pleading for social justice. Perhaps its explosive sentences would shake the very foundations of the Polish regime.

Finally I was told to go into the chief censor's office. He had just finished eating a sandwich and proceeded to conduct a prolonged

telephone conversation in my presence. Apparently a senior army officer, he impressed me as a vulgar and self-assured individual.

"So you are one of the authors of this rubbish?" he inquired, pointing to a copy of my book lying half-hidden among the papers on his desk. "And where is the other one?"

"He is unable to come," I answered hurriedly.

"He is unable to come," repeated the chief censor, smacking his lips. "And what have you to say for yourself?" he asked, after finally locating my book. "Make it short. Why are you appealing and why do you believe your pack of lies should not have been confiscated?"

My opening line of defence seemed invincible. "I only write the truth," I said. "I described my own experience and that of my peers." Jewish youth had no future, I explained. They were discriminated against in whatever they wished to do.

I could hear the conviction in my voice, strengthened by years of being taught in school that we were citizens of the free and independent Polish republic. I was almost quoting from my final history matriculation exam.

The official looked first at me, then at the ceiling and finally at my book with a visible distaste. "Appeal heard, considered and denied," he said, making some notes in red pencil. "Go home, young man, and don't write any more dangerous tripe."

I returned to the waiting room, hot, perspiring and uncomfortable. I no longer felt like a hero. Fedorenko was still there. He gave me a knowing look. "Yes, there are some things they don't teach you at school," he said.

THE NETANYA ORCHESTRA: Avner Itai conducting, with Meir Rimon, French horn (Herschtel Auditorium, Wignac), Handel-Haydn; Water Music Suite; Mozart: Horn Concerto K.495; Lev Kogan: Hossidic Rhapsody for Horn and Orchestra; Bizet: Symphony.

FOR TEN YEARS now, the Netanyahu Orchestra has been doing its thing — playing what is popularly known as light classical music. Its audiences have been varied: from the regular Netanyahu subscribers to fans acquired during stints in other cities to occasionally captive listeners at receptions where the orchestra did the entertaining. The going has not been smooth throughout, yet the orchestra persevered, hosting some of our best soloists along the way. The energy of Samuel Lewis, founder and chief conductor, has no doubt something to do with it.

This being an anniversary season, a trip to the orchestra's home ground was in order. The Herschtel Auditorium on the Wignac campus, where the well-attended subscription concerts take place, is a pleasant hall. If the sterile fluorescent lighting is not ideal for the stage, the acoustics are fully satisfactory and the seats comfortable.

The orchestra, quite a few of its faces familiar from other music institutions, leaves an uneven impression: the winds manage with con-

Admirable diligence

MUSIC

siderable professional competence, while the strings — violins in particular — remain knee-deep in faulty pitch and sloppy rhythm.

AVNER ITAI'S main concern appeared to be holding the players together, which he managed most of the time. When the music at hand called for more, the conductor remained helpless. Thus, the crisp and delightful Bizet symphony (written at the age of 17) emerged as an anaemic affair, with the nicely executed oboe solo in the slow movement providing a much-needed contrast.

The orchestral opening of the Mozart concerto proved an outright embarrassment: later on in the piece, however, the orchestra collaborated with the soloist in a more acceptable manner.

It took Meir Rimon, an unquestionably able instrumentalist, the two first movements of the Mozart to warm up from a correct playing style to a spirited one. The graceful finale was delivered with charm and the Hossidic Rhapsody played with genuine involvement.

Lev Kogan's work, following as it did in the warm footsteps of the Mozart, had the slow and fast sections alternating with unassailable regularity. A well-scored work containing some delightful tunes, its effect could have been immeasurably greater, were it not for the structural monotony. The programming of Mozart and Kogan back to back, and in this order, made at least one listener ill at ease. ELI KAREV.

Jerusalem String Trio, Rima Kaminkovsky, violin; Yael Kaminkovsky, viola; Yoram Alperin, cello; with Daniel Hoxter, piano (Jerusalem Room, January 14, Mozart: Divertimento for String Trio, K.563; Brahms: piano quartet, Op.25, Benefit of the Israel Lung and Tuberculosis League.

THE BEAUTIFUL Mozart trio in this programme is rarely performed, possibly because artists are afraid of its length. This ensemble gave such an inspired performance, that time seemed at an enraptured standstill.

The Brahms was given the slightly more passionate playing it requires and yet was perfectly intimate chamber music. C.B.

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- * Only rented apartments at reasonable prices, no higher than 10-15% of the average national salary, can solve this problem.
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Tough premier breaks vicious circle of wage linkage Iceland whips 159% inflation

REYKJAVIK (AP). — By accepting lower wages and a ban on strikes, Icelanders have seen annual inflation drop from 159 per cent last year to 13 per cent now.

The tiny North Atlantic nation's close-knit population of 238,000 has been pulling together in the fight against inflation, making it easier for Prime Minister Steingrímur Hermannsson's centre-right coalition to impose stern measures.

The alternative, citizens were warned, was mass unemployment and national bankruptcy.

But now, with the ban on new wage negotiations expiring at the end of January, Icelanders are anxiously watching the unions. They fear that frustrations accumulated during the austerity months will blow up into a new wage-price inflationary spiral.

There is a general feeling that the unions will act with restraint.

Premier Hermannsson took office in May 1983 when official statistics put the annual inflation rate at 159 per cent, placing Iceland in the league of a few South American countries and Israel.

The elderly saw their savings erode even though interest rates on normal savings accounts were as high as 40 per cent. The younger generations had stopped saving, spending what they earned. One result was a lack of money for loans because bank deposits simply weren't there. Shops raised prices every time shipments of foreign goods arrived.

Hermannsson was elected in April after the resignation of Premier Gunnar Thoroddsen, whose three-party coalition had broken up. He promptly launched a relentless war on inflation.

His measures were so harsh that the Social Democratic Alliance refused to join the coalition, claiming Hermannsson would turn many families into bankrupts.

The short-term result of the new measures was, in fact, a massive drop in spending power and a tripling of the unemployment rate. But by last October Hermannsson was able to tell parliament that "by imposing drastic measures we managed to avoid disaster and positive results are already evident."

Parliament approved the stringent economic measures, which had been imposed as decrees in May.

Even as Hermannsson was forming his coalition, the Icelandic krona was devalued by 14.5 per cent. Between last January and May the krona fell by 63 per cent against the dollar, to stand at 25.76.

One key measure Hermannsson took was to break the price-wage linkage, whereby salaries people were compensated every three months for inflation. This linkage pushed prices higher and created a vicious circle.

Thus, instead of raising wages by 22 per cent in June to cover inflation, the government let them increase by only 8 per cent. In October the increase was a mere 4 per cent.

The unions could do nothing, since temporary decrees banned them from asking for wage increases or striking. They denounced Hermannsson for "a ruthless decision and tampering with basic human rights."

The measures were painful. Wages rose 49 per cent in 1983, while prices went up 71 per cent. Unemployment rose to 2 per cent, low by western standards, but triple the 1982 rate in Iceland.

An unexpected blow was a 25-per cent drop in the cod haul. Marine products make up 71 per cent of Iceland's exports, and the scarcity of cod will mean a 3 per cent reduction in exports.

Despite the setback, the government's goal is to bring 1984 inflation down to 10 per cent. Last week the national radio announced the annual rate was down to 13 per cent.

For the time being, the government seems to be enjoying solid public backing.

The Central Bank of Iceland announced a six per cent drop in interest rates Saturday, bringing rates down to 21 per cent. Interest rates were 47 per cent before the first drop on September 21. The chairman of the bank's executive board said this fourth drop in as many months was necessary to keep up with Iceland's decreasing rate of inflation.

An opinion poll by the daily *Dagbladið* in October found that 49 per cent supported the government's anti-inflation measures, while 24 per cent were opposed.



Icelandic fishermen look happy as they sort a rich catch on board one of their ships.

U.S. economy up, but trade deficit worries experts

WASHINGTON (AP). — Shaking off the worst recession since World War II, the economy of the U.S. grew by 3.3 per cent last year, the government reported Friday.

Many analysts predicted an even better showing for 1984, but some said the "hemorrhage" of trade deficits could spell trouble.

Growth in 1983, as measured by the inflation-adjusted Gross National Product, was the best of any year since the 5.8 per cent rise in 1978. Last year's advance followed a decline of 1.9 per cent in 1982 — the worst drop since 1946 — and a 2.6 per cent increase in 1981.

U.S. economic growth in 1983 was much better than the administration of President Ronald Reagan and most private economists had forecast a year ago. It was spurred by a burst of consumer spending and business invest-

ments aimed at rebuilding inventories sharply depleted during the recession of the two previous years. For the final three months of 1983, the Commerce Department said the real or inflation-adjusted GNP — the retail value of all goods and services produced by the economy — grew at an annual rate of 4.5 per cent.

That was a slower pace than the big increases of 9.7 per cent in the second quarter and 7.6 per cent in the third. But both the administration and private analysts said the fourth-quarter slowdown was normal for this stage of the recovery and would guard against overheating that might trigger a new round of inflation.

"We have had a strong recovery," said Commerce Secretary Malcolm Baldrige. "It is normal in almost every sense except the trade deficits."

\$-million write-off on Arctic oil wells

LONDON (Reuters). — British Petroleum and its U.S. subsidiary Sohio announced last week they were writing off hundreds of millions of dollars in what may prove to be the oil industry's worst failure.

They invested the money in exploring for oil far inside the Arctic Circle off Alaska, but disclosed last month that instead of finding a major source of oil, their well flowed only water.

Sohio (Standard Oil of Ohio) said in Cleveland it was writing off about \$310 million before tax, part of which had been spent creating a man-made gravel island in the

Beaufort Sea to serve as a base for drilling at the Mukluk site.

After tax its loss comes down to \$163m. In London, BP said it was writing off about £100m. (\$140m.) after tax. Its shares seemed to weather the loss well, trading on the London Stock Exchange at \$4.26 (\$5.96), five pence (seven cents) up on the day.

Sohio, which along with BP and several other oil companies paid \$1.7 billion for the Mukluk licences, says it will now evaluate data from the failed well and seismic information, before deciding whether to continue drilling in other areas

UK inflation rises to 5.3 per cent

LONDON (Reuters). — The rate of annual inflation in Britain rose by half a percentage point in December, to 5.3 per cent, its highest level since last February, the government said last week.

The rise from 4.8 per cent in November was in line with official forecasts and did not represent an unexpected surge in prices, the Department of Employment said. Control of inflation has been a

major priority of the Conservative Government of Prime Minister Margaret Thatcher, whose period of office has seen inflation fall from a peak of 22 per cent in 1980 to 3.7 per cent in May and June last year.

The Department of Employment said prices actually rose more slowly in December than in the four previous months, and the rise in the annual rate of inflation reflected the influence of a freak price movement

China verifies 500 million tons of oil reserves

PEKING (Reuters). — China last year verified more than 500 million tonnes (3.65 billion barrels) of oil reserves, making 1983 one of the best years ever for new discoveries, the *People's Daily* reported yesterday.

The new reserves were found in or near existing oil fields, including Daqing in northeast China, and other smaller fields in Hebei, Shandong and Henan provinces, the paper said, quoting the Ministry of Petroleum.

China's oil output was about 105 million tonnes of oil in 1983, but production has levelled off and officials are hoping for an offshore oil bonanza in the late 1980s as a result of intensive exploration work now underway.

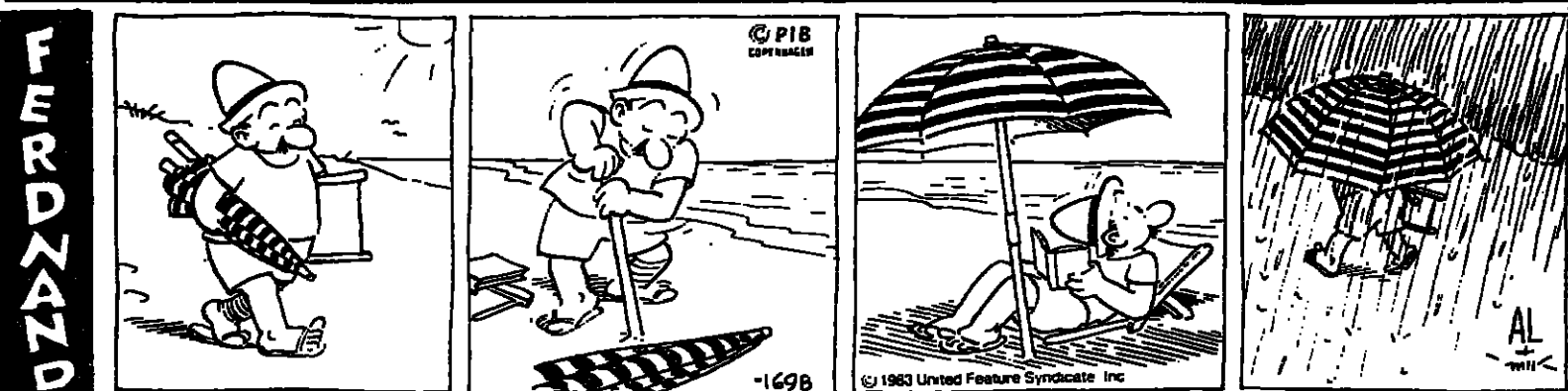
Iraq comes to terms with foreign firms

BAGHDAD (Reuters). — Iraq, facing economic difficulties because of its 40-month-old war with Iran, has settled financial problems with almost all international companies working on about 800 development projects in the country.

The English-language *Baghdad Observer* newspaper yesterday quoted First Deputy Prime Minister

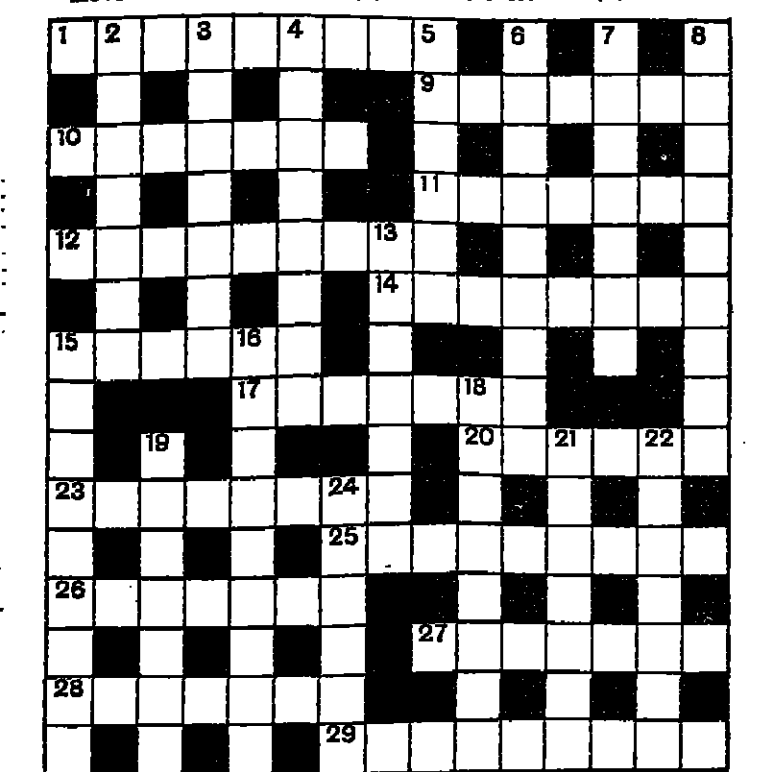
Taha Yassin Ramadan as having said that agreement had been reached with foreign firms on deferring payments and on interest to be paid by Iraq.

All but one foreign company had agreed to go through with its projects in Iraq, he said. Ramadan did not name the company.



ONE-AND-ONE CROSSWORD

- | | |
|--|--|
| ACROSS | DOWN |
| 1 Rotating arms? (9) | 2 Elimination of a wrong impression after a time no doubt? (7) |
| 9 Line-endings that vary in merit? (7) | 3 The crime of a man like Fagin, for instance? (7) |
| 10 Emergency rations for field operations? (7) | 4 Six skilled gunners turning in a description of the English weather? (8) |
| 11 Three changes associated with an Asian capital? (7) | 5 Said to be one of the finest art collections in South Africa? (9) |
| 12 A platform put to revolutionary use? (9) | 6 Part that is iced sometimes for Gabriel? (3) |
| 14 Said and done in the form of a complaint? (8) | 7 Like that big striped cat I got rid of somehow? (7) |
| 15 Expose one side of a recessed doorway, maybe? (6) | 8 Noiseless transformation of females of pride? (8) |
| 17 Unable to keep still, it's ever-moving? (7) | 9 Fifty odd giants of durable character? (7) |
| 20 Eastern countries that can make swift progress in South Africa? (6) | 10 Artistically gifted Dutch schoolmaster? (9) |
| 23 Modification of the serpent arts graduates cut short? (4, 4) | 11 Professional man who plans to make a living out of the Arctic? (9) |
| 25 A flower that grows wild, for example, can in a country road? (9) | 12 Tax I've compounded on a source of annoyance? (8) |
| 26 Puts the sparkle into mineral waters? (7) | 13 Impute something to a writer? (7) |
| 27 Birds left in squares? (7) | 14 The counsellor Priam should have listened to before and not after? (7) |
| 28 End of a freeze, perhaps, that could bring a government down? (7) | 15 Not indeed indicated by a sign? (7) |
| 29 Dead wrong when ordered to move into a lower class? (9) | 16 Didn't push on against desert storm? (6) |



GENERAL ASSISTANCE

- | | |
|---|--|
| EMERGENCY PHARMACIES | FIRST AID |
| Jerusalem: Kupat Holim Clalit, Ramat Gan, 23115. Baitan, 23115. Shu'afat Road, 810108. Dar Eldawa, Herod's Gate, 282058. Tel Aviv: Lev Hair, 69 Ehad Ha'am, 613864. Kupat Holim Leumi, 4 Heftman, 26527. Petah Tikva: Kupat Holim Clalit, Haim Ozer St., 90527. Netanya: Kupat Holim Clalit, Haim Ozer St., 91123. Haifa: Yavne, 7 Ibn Sina, 62258. Segal, 53 Herzl, 44129. | Phone numbers: Jerusalem, Tel Aviv, Haifa — (01). Dan Region (Ramat Gan, Be'er Sheva, Givatayim) — 781111. Ashdod 41333. Ashkelon 23333. Bat Yam 585556. Beer Sheva 78333. Eilat 72333. Hadera 22333. Holon 80313. Netanya 23333. Nazareth 54333. Netanya 23333. Petah Tikva 912333. Rehovot 054-51333. Rishon LeZion 942333. Safed 30333. Tiberias 20111. Varna 923333. |
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| POLICE | |
| Dial 100 in most parts of the country. In Tiberias dial 924444. Kiryat Shmona 40444. | |

ENERGY IS WONDERFUEL

Don't waste it.

- | | | |
|------------------------|----------------------------|-------------------------------|
| QUICK CROSSWORD | 5 Shaving implement | 11 Vigilant |
| ACROSS | 12 Statue | 14 Filter |
| 1 Hanging drapery | 9 Liable to change | 17 Amusing |
| | | 19 Dark |
| | | 23 Horseman |
| | | 24 Dot |
| | | 25 Cloudy |
| | | |
| | | DOWN |
| | | 1 Nourishing hot drink |
| | | 2 Italian dish |
| | | 3 Advantage |
| | | 4 Figure |
| | | 5 Withdraw |
| | | 6 Pedestrian |
| | | 7 Girl's school |
| | | 12 Frightful |
| | | 13 Mound |
| | | 15 Castle in Sussex |
| | | 16 Alarm-bell |
| | | 18 Corpulent |
| | | 20 Bush |
| | | 21 Mistake |

WHAT'S ON

Notices in this feature are charged at £5391 per line including VAT. Insertion every day costs IS7859 including VAT, per month. Copy accepted at offices of The Jerusalem Post and all recognized advertising agencies.

Jerusalem
MUSEUMS
Israel Museum, Opening Exhibition: Art Looks at Art (24.1 at 8 p.m.), Continuing Exhibitions: Dr. Erich Salomon, From a Photographer's Life; Tzvi Givon, Painting and Objects; Yossi Cohen, "Our Town," photographs; Ori Reisman, Paintings; Scapes; Tom Seidmann, Freud, Illustrations of children's books; Tip of the iceberg No. 2; Permanent Collection of Jewish Art, Archaeology and Contemporary Israeli Art, Rockefeller Museum; Kadish Barnea, Jewish Kingdom (fortress: How to Study the Past for children — Paley Centre). Closed Saturday.

Museum Galleries Closed, 8.30: Concert Shakespeare and Elizabethan Music (music and readings from plays and sonnets) with the David Trio.
Visiting Hours: Main Museum 10-5, At 11: Guided tour in English.
CONDUCTED TOURS
HADASAH — Guided tour of all installations • Hourly tours at Kiryat Hadasah and Hadasah Mt. Scopus • Information, reservations: 02-416333, 02-426271.
Hebrew University
1. Tour in English at 9 and 11 a.m. from Administration Building, Givat Ram Campus. Buses 9 and 28.
2. Mount Scopus tours 11 a.m. from the Bldg. to visit our projects call Tel Aviv, 232939; Jerusalem, 236060; Haifa, 99537.
AMERICAN MIZRAHI WOMEN: Free Morning Tours — 4 Alkalai Street, Jerusalem. Tel. 02-699272.

Tel Aviv
MUSEUMS
Tel Aviv Museum, Exhibitions: Pins Collection, Chinese and Japanese Paintings and Prints. Fing. Lelievord, Israeli fashion designer; Micha Kirshner, photographs; Zvi Goldstein, Structure and Superstructure (Helen Rubinstein Pavilion); Classical Painting in 17th and 18th centuries; Impressionism and Post-Impressionism; Twentieth Century Art: Israeli Art. Visiting Hours: Sun-Thur. 10-10, Fri. closed, Sat. 10-3; 7-10, Hebrew Rubinstein Pavilion: Sun-Thur. 9-1; 5-9, Fri. closed, Sat. 10-3.
CONDUCTED TOURS
American Mizrahi Women. Free Morning Tours — Tel Aviv: Tel. 22187, 24106. WIZO: To visit our projects call Tel Aviv, 232939; Jerusalem, 236060; Haifa, 99537.
PIONEER WOMEN — NA'AMAT: Morning tours. Call for reservations: Tel Aviv, 256096. Haifa: What's On in Haifa, dial 04-640840.

Yesterday's solutions
SMALLERMS
F I E S E A
P O S T M A N K I N G
B R E K U I T P
L O U S E R N A T I V E
A N A D D E R V R
J A N G A N E M B E R S
H A T R O D S L U C K I N
E E P S O N
A L L O T O R I V E R
O L I R D A I E
S E C R E T S E R V I C E
R E I A I E
A S S A I L I N G
QUICK SOLUTION
ACROSS: 1 Wilde, 4 Rooms, 8 Scotland, 9 Advice, 10 Acorn, 11 Steepie, 12 Soho, 13 Lender, 17 Urgent, 20 Aura, 22 Consent, 24 Cleared, 26 Biting, 27 Problem, 28 Austria, 29 Total, DOWN: 1 Vessali, 2 Least, 3 Expense, 4 Relish, 5 Ovale, 6 Extinct, 7 Swede, 12 Tour, 18 Oran, 16 Dandies, 18 Bagworth, 19 Thermal, 21 Utopia, 22 Cobra, 23 Elder, 25 Alot.

'High-sea fisheries nothing, but importers' Fishermen up in arms against new deep-sea fishing firms

By YA'ACOV FRIEDLER, Jerusalem Post Reporter

HAIFA — Pond fish-breeders and high-sea fishermen yesterday came out strongly against the government's decision to license Israeli deep-sea fishing companies. They described the move as an attempt by importers to circumvent import restrictions by waving the national flag.

Amnon Levin, secretary of the Fishbreeders Union, and Itamar Katz, secretary of the Fishermen's Union, told a press conference that the proposed Israeli deep-sea fisheries would not earn the country a single dollar, but would only enable importers to get rich by spending dollars to compete with local catches.

They claimed to have information that one importer has the personal backing of Agriculture Minister Pessah Grupper for an Israeli partnership in a U.S. fishing company. Another importer, they said, has the backing of the Foreign Ministry for Israeli fishing off the South American coast.

They maintained that all that would result, if these schemes were licensed, would be the spending of foreign currency on imported fish. Such fish is bred locally, or caught, they stressed, and nobody needs imports. "The average per capita fish consumption of nine kilograms a year does not grow, and the imports will merely replace our own catches," the fishermen said.

They expressed fears that unless the move is nipped in the bud, "and a third firm is also looking into the matter," the 70 kibbutzim and moshavim which breed fish and the several hundred sea fishermen will be gravely harmed. "We will be importing unemployment," they said.

The union representatives said that the Bank of Israel had approved the establishment of the

companies, and that the Agriculture Ministry had promised its support. They named the two firms as Interfood and Dagfröst.

Far from actually intending to go fishing off the coast of America, the companies plan to bring in the types of fish that are domestically bred, because the market is prepared for them, the union men said.

To prove their point they noted that among the fish to be "caught" is trout, which doesn't live in the sea at all, and mullet, which in the U.S. is caught at river mouths, and not at sea.

They also noted that due to the jump in production costs they had "for the past three months sold fish at a 'below cost.' The market cannot take more fish, even though prices have come down in real terms," they added.

The two secretaries were upset that the government had not even consulted with them on the question, while the Agriculture Ministry had not answered their letters on the subject.

They were not demanding a total suspension of imports, but their limitation to 2,000 tons a year to augment local catches, rather than compete with them. They noted that last summer they had been forced to throw tons of sardines back into the sea because the canning industry preferred imports. More sardines were being brought in from abroad to fill Defense Ministry orders, they said, while they had suspended sardine fishing on Lake Kinneret for lack of markets.

OIL POLLUTION. — Norwegian Transport Minister Speia Hockfist began talks Saturday to extend Oslo's expertise and technology to Saudi Arabia to help the oil-rich kingdom combat environmental pollution from oil extraction operations.

ENTERTAINMENT

TELEVISION

EDUCATIONAL:
8.40 School Broadcasts 15.00 Surprise Train 15.25 Touch 15.45 Follow Me — English for Adults 16.00 The Heart (part 2) 16.25 Sunsum Street 17.00 A New Evening.
CHILDREN'S PROGRAMMES:
17.30 Different Strokes: Roommates 18.00 Cartoons
ARABIC-LANGUAGE programmes:
18.30 News roundup
18.32 Sports
19.27 Programme Trailer
19.30 News
HEBREW PROGRAMMES resume at 20.00 with a news roundup
20.02 Bill of Fare (part 4)
21.00 Mabat Newsline
21.30 Are You Being Served? — Coffee Morning
22.00 This is the Time
22.30 Strangers — British suspense series starring Don Henderson, Dennis Bligh, Fiona Mollison and Mark Manos: A Much Underestimated Man
23.35 News
JORDAN TV (unofficial):
17.30 Cartoons 18.00 French Hour 18.30 (JTV) Science film 19.00 News in French 19.30 News in Hebrew 20.00 News in Arabic 20.30 Buffalo Bill 21.00 Documentary 22.00 News in English 22.15 Hart to Hart
MIDDLE EAST TV (in North only):
13.00 Shape-Up 13.30 Tonight 14.00 Another Life 14.30 700 Club 15.00 Afternoon Movie 16.30 Spiderman 17.00 Popeye 17.30 Super Book 18.00 Laramie 19.00 Bonanza 20.00 Another Life 20.30 World News Tonight 21.00 Entertainment Special WKRP Cincinnati 21.30 Sports NFL 22.54 700 Club 23.24 News Update

ON THE AIR

Voice of Music
6.02 Musical Clock
7.07 Geminetti: Concerto Grosso; Nardini: Violin Concerto (Zukerman); Bach: Brandenburg Concerto No.4; Giuliani: Rossini's No.1 (Julian Bream); Respighi: The Pines of Rome; J.C. Bach: Piano Concerto (Grigory Hadley); Hummel: Adagio, Variations and Rondo; Mozart: Le nozze di Figaro, transcribed for Wind Octet (London Soloists); Haydn: Violin Concerto in C major (Zukerman); Beethoven: String Quartet in C-sharp minor, Op.131 (Lassalle); Mendelssohn: Symphony No.7 for String Orchestra; Glinski: Trio Pathétique (Salzman, Etlinger, Wisell); Tchaikovsky: Symphony No.1 (London Philharmonic, Rostropovich)
12.00 An Hour with Paul Tortelier, cello Schubert: Arpeggione Sonata; Tostelberg: Valse No.1; Haydn: Concerto in C major
13.05 Musical Greetings
15.00 The History of Music
15.30 Youth Programme
16.30 The Jerusalem Symphony Orchestra — Vivaldi: Flute in the Concerto (Seidel); Haydn: Concerto (Nahum Shifrin, Mendel Rodan); Brahms: Double Concerto (Dora Schwartzberg, Michael Malsky, Uri Segal); Aron: Mayan: Excerpts from the ballet, The Story of Three and Four (Uri Segal)
18.00 Musica Viva — works by Gyorgy Ligeti (South German Radio) — Nguny

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18.00 Musica Viva — works by Gyorgy Ligeti (South German Radio) — Nguny

CINEMAS

JERUSALEM 4, 7, 9:
Eden: Papillon 4, 6.45, 9; Eilon: Sahara; Hadasah: Over the Brooklyn Bridge 4, 6.45, 9; Kfir: Who Will Love My Children? 4, 6.45, 9; Loh: Love You Carmen 4, 6.45, 9; Orion: Brubaker 4, 6.45, 9; Sudden Impact 4, 6.45, 9; Ron: Vol. 4, 7, 9.15; Semadar: My Favourite Year 7, 9; Binyami Hauma: To Begin Again 7, 9; Cinema One: Moscow Does Not Believe in Tears 6.45; Monty Python and the Holy Grail 9.15; Cinema One: Conan the Barbarian 7; Married a Witch 9.30
TEL AVIV 4.30, 7.15, 9.30
Allenby: Things are Tough All Over: Beethoven: Over the Brooklyn Bridge; Cinema 1: Sudden Impact 4.40, 7.10, 9.40; Cinema 2: Experience Preferred But Not Essential 4.45, 7.10, 9.30; Cinema 3: Trading Places 4.30, 7.40; Cinema 4: Cannery Row 4.30, 7.05, 9.30; Cinema 5: The Godfather Part II 4.30, 7.40; Cinema 6: Home 10.30, 1.30; Cinema 7: Coming Home 10.30, 1.30; Cinema 8: Dirty Dozen 4.30, 7.40; Cinema 9: Coup de Foudre: Dekel: Star Chamber 7.15, 9.30; Drive-In: Doctor No. 7.15; Thunder 4.30; Sex film, midnight; Esther: Pygmalion 4, 6.45, 9.30; Catz: I Love You Carmen 6.30, 9.30; Over the Brooklyn Bridge 7.15, 9.30; Ramat Gan: Star Chamber 7.15, 9.30
HAIFA 4, 6.45, 9
Amphitheatre: M.A.S.H.: Arnon: Sudden Impact; Atzmon: Under Fire; Cinema: Midnight Express; Morlat: Max Dugan Returns 6.30, 9; Omit: Sahara: Only Fellows Travellers 10.15, 2.45, 7.15, 9.30; Pear: Wedding Party: Shabat: Flash-Dance: Studio: Who Will Love My Children?; Tchelet: Zorba the Greek 4.15, 6.15, 9.30; Tel Aviv Museum: Muddy River; Zafon: Vivement Dimanche 7.15, 9.30; Beth Hadasah: L'Affiche Rouge 5
RAMAT GAN
Arnon: I Love You Carmen 7, 9.30; Crazy Music 4; Lily: Vol. 7.15, 9.30; Omit: Sudden Impact 4.30, 7.40; Over the Brooklyn Bridge 7.15, 9.30; Ramat Gan: Star Chamber 7.15, 9.30
HERZLIYA
David: Merry Christmas Mr. Lawrence 7.15, 9.30; Tiber: Time Rider 4, 7.15, 9.15
HOLON
Migdal: Sudden Impact 4.30, 7.15, 9.30

Bank shares under pressure

Tel Aviv Stock Exchange

By MACABEE DEAN

TEL AVIV — The "arrangement" shares came under heavy selling pressure yesterday, and four of the main ones, Leumi, IDB Discount and Mizrahi, fell by 2.9 per cent, 0.9 per cent, 2.4 per cent and 3.2 per cent, respectively. Only Hapoalim remained firm.

These five shares alone accounted for about two-thirds of the entire trading on the exchange. Trading itself was mixed, but there was selling pressure, partially obscured by the fact that 49 shares rose by five or more per cent (of which four were "buyers only") and 46 fell by five or more per cent (of which 13 were "sellers only"). The selling pressure was evident in the fact that the General Share Index fell by 0.71 per cent.

Without commercial bank shares, the index rose by 0.25 per cent, but this is probably less than the nominal drop in the shekel (which is really a devaluation) which should be about 0.4 per cent. (The representative rates of the foreign currencies are not published on Sunday because banks abroad are closed.)

The various categories of trading rose or fell as follows: Commercial banks, minus 1.15 per cent; mortgage banks, plus 0.06 per cent; financial institutions, minus 0.02 per cent; insurance companies, minus 0.32 per cent; trade and utilities, were up 1.12 per cent; land development, plus 0.19 per cent; industrial, plus 0.35 per cent; investment companies, minus 0.17 per cent; and oil, plus 3.71 per cent.

As always, the "averages" do not reflect the rises and falls of many shares, and in these various categories, there were a few shares which rose or fell by about ten per cent. Those which fell by about ten per cent were Binyan and Phoenix 0.5, while Danot 5 fell by 5.3 per cent. The following rose by ten per cent: Coral Beach, Loewenstein, Ata C, and Yael 5, while Clal Leasing 0.1 rose by 5.5 per cent.

linked bonds (1978/85, series 8) on February 2 to all those whose bonds were registered in the books on January 15. As for its 5.5 per cent 1976/86 bonds (series 13, linked to Swiss francs) a 2.75 per cent payment will be made on February 27 to all those whose bonds were registered in the company books on January 25.

Rogosa informed the Stock Exchange that the strike at its plant is continuing despite the fact that the Labour Court ordered the workers to return to work.

Alaska-Sportlife announces that its sales in the six-month period ending September 30, 1983 were \$132.8m., compared to \$186m. in the same period the year before. The company lost, after adjustment for inflation, \$11.2m. in the six-month period this year, compared to \$8.4m. in the same period last year.

Man (processed food and fish) had sales of \$150.2m. in the six-month period ending September 30, 1983, compared to \$188.6m. in the same period last year. After adjustment for inflation the company lost \$4.5m. in the six-month period this year compared to \$12.4m. in the same period last year.

Israel Can will pay each of its directors \$140,000 for services rendered in 1983; \$155,000 to each external director; and \$160,000 to the chairman of the board.

Assis reports profits of \$120.5m. (adjusted for inflation) in the six months ending September 30, 1983, compared to \$121m. in the same period in 1982.

Jordan Investments bought on January 1, 27,468,940 ISI shares in Kenes Conventions. Following this acquisition, Jordan Investments, directly, or through its subsidiaries, holds 16.94 per cent of the equity and voting rights in Kenes.

Clal Industries states that although it has no specific plans to raise money on the New York Stock Exchange or elsewhere, it is examining this possibility.

Afik Investments announces that its option (series one) can be exchanged for one ordinary share between January 22 and May 31.

Maxima had sales of \$115m. in the six-month period ending September 30, 1983, compared to \$141.4m. in the same period in 1982. Profits (adjusted for inflation) were \$5.9m. in the six-month period this year, compared to \$19m. in the same period last year.

Most active stocks

| Shareholder | Volume | Value | % of total |
|-------------------|--------|-----------|------------|
| Hapoalim | 2,180 | \$171.8m. | n.c. |
| Leumi | 1,388 | \$177.1m. | n.c. |
| Shares traded | 3,219 | \$154.5m. | -30 |
| Convertible bonds | | \$155.7m. | |
| | | \$185.0m. | |

Record world wheat harvest seen for 1984

LONDON, (Reuters). — World wheat production is still on course for a record 500 million ton harvest in 1984, the International Wheat Council (IWC) said Friday.

With two-thirds of winter wheat sowings completed, the council said in a report that events to date seemed to support its prediction last month of a record world crop, with high sowings and generally favourable weather reported in the Soviet Union, the European Community, China and India.

The Council said last month that a harvest of this size would exceed world consumption, estimated at around 483 million tons. Industry sources have said the rise in world stocks would result in a continuation of the present world glut.

World output for 1983 is expected to be around 487 million tons, the IWC added.

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Commercial Banks

(not part of "arrangement")

| Shareholder | Volume | Value | % of total |
|---------------|--------|-------|------------|
| OHF | 303 | 5 | -1.2 |
| Marine 0.1 | 279 | 132 | n.c. |
| Marine 0.5 | 120 | 944 | n.c. |
| Marine 1 | 332 | 4 | n.c. |
| N. American 1 | 2083 | 47 | n.c. |
| N. Am. op 1 | 1122 | 40 | n.c. |
| Danot 1 | 211 | 10 | -1.0 |
| Danot 2 | 62 | 41 | -2.1 |
| Danot 3 | 164 | 41 | -2.1 |
| First Int'l | 202 | 453 | -1.5 |
| FIBI | 180 | 501 | n.c. |

Commercial Banks

(part of "arrangement")

| Shareholder | Volume | Value | % of total |
|---------------|--------|-------|------------|
| IDB B | 7870 | — | — |
| IDB R | 3219 | 1099 | -3.0 |
| IDB P A | 99850 | — | — |
| IDB op 11 | 2010 | 85 | -1.7 |
| Union 0.1 | 2401 | 266 | n.c. |
| Discount B | 4202 | 9 | n.c. |
| Discount A | 4190 | 96 | -100 |
| Discount 2 | 2980 | 17 | n.c. |
| Discount B | 400 | 56 | n.c. |
| Mizrahi | 1377 | — | — |
| Mizrahi op 11 | 1950 | 18 | -70 |
| Mizrahi op 12 | 730 | 125 | -65 |
| Mizrahi op 13 | 1140 | — | — |
| Hapoalim P | 2020 | 30 | -18 |
| Hapoalim R | 2180 | 468 | n.c. |
| Hapoalim B | 2180 | 429 | -10 |
| Hapoalim op 8 | 8070 | 54 | -230 |
| General A | 5609 | 22 | n.c. |
| General op 8 | 12100 | 4 | n.c. |
| General op 9 | 5010 | 4 | n.c. |
| General op 10 | 4212 | — | — |
| General op 11 | 365 | 57 | -1.9 |
| General op 12 | 1380 | 560 | n.c. |
| General op 13 | 1800 | 26 | -2.1 |
| General op 14 | 551 | 412 | -2.3 |
| General op 15 | 1925 | 2 | -1.5 |
| General op 16 | 1006 | — | — |
| General op 17 | 1550 | — | — |

Commercial Banks

(part of "arrangement")

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|----------------|--------|-------|------------|
| Adanot 0.1 | 751 | — | — |
| Gen. Mortgage | 1272 | 1 | -1.1 |
| Gen. Mortgage | 1530 | 1 | -1.1 |
| Carmel | 641 | 32 | -3.0 |
| Carmel deb | 135 | 100 | n.c. |
| Binyan | 900 | 25 | -100 |
| Dev. Mortgage | 850 | — | — |
| Dev. Mortgage | 860 | — | — |
| Dev. Mortgage | 101 | 100 | n.c. |
| Mishkan | 3650 | 4 | n.c. |
| Independence | 600 | 6 | n.c. |
| Tefahot | 900 | 18 | n.c. |
| Tefahot deb. 1 | 115 | 10 | -1.9 |
| Tefahot deb. 2 | 178 | 393 | -5.2 |
| Tefahot deb. 3 | 271 | 6 | n.c. |
| Jaysour | 298 | 24 | n.c. |
| Jaysour op | 40 | 6 | -1.1 |
| Mervar | 172 | 486 | n.c. |

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Editor and
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Shvat 19, 5744 • Rabi-Thani 19, 1404

The crime in context

SATISFACTION over the success of the police in capturing a suspect they believe to be the man who threw the hand-grenade that killed Emil Grunzweig nearly a year ago cannot dissipate the intense sense of unease over the persistence of public attitudes that provided the background for the dastardly deed.

The suspect, Yona Avrushmi, emerges from the press reports as someone who already had a record of trouble with the police. But it was his view of Peace Now as "traitors" and not any general criminal tendency, nor the fact that his brother-in-law was killed in the Lebanon war and his brother in the Yom Kippur War, that would explain a decision to kill a Peace Now demonstrator.

Leaders of the community who have actively propagated the notion that Peace Now is indeed a treacherous bunch naturally take umbrage at any suggestion that they have made it easier for some persons to draw murderous conclusions. In fact they respond to the suggestion by accusing their detractors of perpetrating a blood libel. At the very least, they argue, there is a "symmetry" in "verbal violence" on both sides of the national divide.

Typical of the more reckless claims was Ariel Sharon's labelling as "incitement" a reminder by MK Victor Shemtov last Friday that the minister-without-portfolio had just a few days earlier railed against "Yossi Sarid and his friends (who) won't be happy until the enemy marches into Tel Aviv." The expression "Yossi Sarid and his friends" is, of course, a euphemism for Peace Now and its sympathizers.

The error — if it is nothing worse than error — of those who seek justification for verbal attacks by the "right" in verbal attacks by the "left" is that they ignore the crucial difference in the substance of criticism on both sides. The "left" contends that territorial expansion undermines the democratic foundations of the State of Israel. The "right" claims that readiness for territorial compromise actively invites the physical destruction of the state.

To invite a country's physical destruction is certainly to commit treason against it, and this is the charge that politicians such as Ariel Sharon are levelling against such organizations as Peace Now. It would not be at all surprising if some persons under the influence of this pernicious doctrine were all too ready to offer tangible proof of their feelings of outrage.

Emil Grunzweig's murder, it must be remembered, did not come as a bolt from the blue. It was only the final and most extreme act of violence perpetrated against a Peace Now procession marching through the streets of Jerusalem, that had been forced — without any police intervention — to run the gauntlet of violent opponents who pummelled the marchers, cursed them and spat at them. This was not in reply to anything that had earlier, or ever before, been done by "leftists" to a "rightist" demonstration.

It was an expression of a sentiment harboured by a sizable section of the community that Peace Now does not uphold an alternative faith but the principle of treason. Those big-time political operators who helped foster that sentiment cannot now evade their responsibility.

An only choice

THE CABINET is due shortly to make a choice of a director-general for the Broadcasting Authority for the five years starting in April. The incumbent, Yosef (Tommy) Lapid, may be granted a second term or the post will be given to someone else.

Mr. Lapid, a professional journalist, has not, in fact, been very popular with ministers. They find it hard to forgive him the failure to carry out his original promise to cast out the "leftist mafia" which they supposed had taken over the Broadcasting Authority, using it as a channel for the dissemination of its own critical views. To the ministerial mind, if the image of the country, and especially of the government, shown in the mirror of broadcasting, particularly of television, is somewhat ungainly, it is the fault of the mirror.

More concretely, it is the fault of the man believed to be in charge of manipulating that mirror, the director-general, Mr. Lapid, in the face of the pressures, has sought to maintain the integrity of the mirror.

But he has also not been very popular with most senior broadcasters either, and for the opposite reason. They charge that he has bent over backwards to please the majority of the board of directors, whose chief aim is to make Israeli broadcasting safe for the reigning orthodoxies. In the process, they charge, he has surrounded himself with a bevy of yes-men who never object to his attempts to meddle with the contents of programmes so as to make them as uncritical and inoffensive as possible.

The result, they say, has been to bring to an abrupt end any manifestation of creativity in radio and television.

Although there is doubtless more than a little truth to these complaints, they seem to be overstated. Mr. Lapid cannot be denied his rights as chief editor, and if the product of his editing has been rather chilling in some cases, it could have been far worse. Although it now clearly tilts in the nationalist-religious direction, the authority is still open to all political opinion. This appears to be the reason ministers are pushing for a commercial second television channel which, they believe, could be made into a coalition preserve.

Perhaps the most powerful argument in favour of Mr. Lapid continuing in his post, however, is the list of possible successors, studded by those who would indeed make broadcasting a cultural and journalistic wasteland. On balance Mr. Lapid is, therefore, the best, and only, serious candidate, for this season in our political life.

POSTSCRIPTS

THE BRITISH Zionist Federation in London is proposing that Israel TV offer English sub-titles on its news programmes.

Federation vice-chairman Eric Moonman has asked for meetings with Broadcasting Authority director-general Yosef Lapid and with Tourism Minister Abraham Shariar to explain the importance of English sub-titles not only for new immigrants but also for tourists who watch Jordan TV news because they cannot understand Hebrew.

Leslie Donn, a justice of the peace in Manchester, has battled

for years over English sub-titles, sending letters to influential persons in Israel. Over the years, the Broadcasting Authority has argued that it cannot screen English sub-titles because of the cost, and more importantly because an extra line of type (in addition to Arabic sub-titles) would crowd the screen.

Donn urges that English-speaking Israelis and tourists write to Education and Culture Minister Ze'evulun Hammer, in charge of implementing the Broadcasting Law, and demand English sub-titles.

J.S.I.

Criticizing the Knesset

By ARYEH RUBINSTEIN

YOSSI SARID'S attempt last week to convict the Knesset of impotence "in matters of life and death" was impressive as he declaimed his accusation, but it was blasted within the hour by two of his Alignment colleagues.

Speaking in the Knesset's ritual contemplation of its navel to mark its birthday on Tu B'Shvat, Sarid derided his colleagues for wasting time over trifles like the salary and immunity of MKs, their attendance at plenary and committee sessions and whether or not they should wear jackets in the chamber.

What did these things matter, he asked, when the experience of the last year and a half had shown that the Knesset "cannot prevent war or limit its scope or duration?"

Shinui's Mordechai Virshupski, who spoke right after Sarid, was the first to puncture his thesis.

He saw a direct connection between those so-called trifles — the excessive immunity of MKs; their pay and the amount of work they do; the whitewashing of Aharon Abuhazzeira out of selfish political considerations — and the Knesset's ability to provide moral leadership.

MORE OF A blow to Sarid must have been the rebuttals of Shevah Weiss and Ora Namir who, like him, are Alignment doves and who have been increasingly critical of the IDF's prolonged stay in Lebanon.

There was a vote on the war, Weiss pointed out, and its opponents failed, not because of the weakness of the Knesset as an institution, but because the opposition (read: Alignment) itself was divided.

"What public influence would Sarid, Shulamit Aloni, Geula Cohen, or other 'soloists' of former years exert if they were deprived of the forum that is the Knesset?" Weiss asked.

He said that the Knesset is not only the liveliest focal point of Israeli democracy, but also one of the liveliest parliaments in the world. To attribute to it non-existent weaknesses could actually weaken the institution.

Of course, Weiss said, the government tries to clip the Knesset's wings, but that was not a Likud invention. The tug-of-war began before it

came to power and would continue "after we are returned to office."

After that, there wasn't much for Ora Namir to add about the Knesset's role "in this most unfortunate war," as she put it. But her rejection of Sarid's depiction of events was no less trenchant.

"It didn't happen that way at all," she said. A majority of the Knesset had supported the government on the war, not just because the coalition has more votes than the opposition, but because the opposition wasn't — "and I think isn't even today" — of one mind.

Namir then went on to talk about "more prosaic matters," notably the powerlessness of, and the poor attendance at, Knesset committees. The first was largely responsible for the second, she said.

She noted that the Education Committee, which she heads, has no difficulty in getting the top brass of the Education Ministry to appear, a problem that was raised by other speakers.

But the chairmen of local authorities often do ignore her requests to discuss matters with the committee. A change in the law giving the committees the power to subpoena witnesses would not only improve the committee members' participation, but would enable the committees to do a proper job of overseeing the doings of the government.

SPEAKER Menahem Savidor, who opened the proceedings, made a similar division in his speech.

First, he warned that we could not take it for granted that parliamentary democracy in Israel would continue "by inertia." Most of Israel's founding fathers were pained by the deterioration of standards and values. Who, then, could guarantee that the next generation would hold fast to the belief in the importance of a free, multi-party democracy?

The Knesset's contribution here was to raise its own stature by observing time-honoured norms of behaviour and debate, Savidor said.

He then outlined 11 points — he too labelled them "prosaic" — to which he hoped the members would address themselves. First on the list was the matter of attendance: Was it really too much to require members, by law, to be present in

the Knesset building on the three Knesset days? he asked, noting that in the U.S., France, and West Germany, parliament penalizes members for unwarranted absence.

Like Sarid, Yehuda Ben-Meir (National Religious Party) put all his eggs in one basket — although the basket was quite different.

According to Ben-Meir, a free parliament is the essence of democracy, and the real danger to Israeli democracy lies in the increasingly negative image of the Knesset. So, despite all of the Knesset's faults, the Knesset as an institution should not be degraded. Nor should Knesset members.

When Shlomo Hillel (Alignment) asked whether he was blaming the public, Ben-Meir said no, he was blaming "ourselves." But a few minutes later he said he was not blaming anyone. Then he turned to "my friends of the press."

He chose his words very carefully, paying many compliments to Knesset reporters. But a close reading can only lead to the conclusion that he wants the press to go easy on the Knesset and its members — for the sake of the future of parliamentary democracy.

Unlike Sarid, Ben-Meir did not disparage "the trifles"; the faults of the Knesset should be corrected, he said. But he let it go at that.

THE JOURNALIST often finds himself in a dilemma. Should he write it "like it was" and let the chips fly where they may, or should he consider the greater good, as he sees it, and keep some of his knowledge to himself?

The problem recurs when the Knesset adopts a resolution demanding the release of Anatoly Sheharansky or Yosef Begun, or denouncing some manifestation of anti-Semitism, usually calling on all the free parliaments to do their bit.

On many such occasions, attendance in the House is "normal," that is, less than 30. And so is the general atmosphere: members talk during the speeches, walk around, read newspapers. It's all in a day's work. Should the reporter include this in his story?

When Ben-Meir finished his speech, he left the chamber and did not return again that afternoon. This was not unusual; it was true of most of the members who spoke in

Dry Bones



the debate. They shot their bolt and left, even though one might have expected them to be interested in their colleagues' views on the work of the Knesset.

But most members did not enter the chamber at all. Attendance ranged from 32 present at 3.30 p.m. to 19 at 4.05, in addition to the chairman of the session and the speaker. Throughout the session, the Alignment accounted for 90 per cent of those present. For at least 30 minutes, Yitzhak Berman was the sole representative of the entire coalition.

What was so special about 4.05? That's the moment Benny Shalita (Likud-Liberals) was saying that the number of occupied seats in the chamber was no measure of the MKs' work.

Shalita said he "knew" that even when they were not in the chamber, MKs were working. To prove his point, he added that "at this very moment, certain people are waiting for me in the restaurant."

THERE WERE THEN 23 MKs (including ministers) in the members' restaurant, some talking to one another; some with journalists; some with public officials

and some with persons I could not identify.

And according to the board with electric bulbs which light up when members are present, 34 MKs were not in the building at all.

Shalita knows that they were all working though he didn't say they were working on Knesset business.

Does Ben-Meir also know that the 99 MKs not in the chamber then were working on Knesset business? If not, does a journalist who gives these figures undermine parliamentary democracy?

Sarid may not appreciate the story of the synagogue member who complained that the new rabbi spoke too often about the Sabbath, kashrut, and family purity. When asked which subjects he would like discussed, he said "why doesn't he talk about Judaism?"

But Ben-Meir has probably told the story himself, and more than once.

I trust that the moral is clear. The Knesset is not an abstract concept, but a living institution. How can one respect an institution while not respecting its members?

The writer is The Jerusalem Post's Knesset reporter.

PEACEFUL BORDERS

By ERIC LUCAS

settled down to a glass of beer.

Just before 11.00, we recrossed the border, but this time we had to come to a full stop behind a battered car with four youths inside who were being questioned.

"They're looking for drugs," my host remarked. The policeman waved us on and we went back to Aachen. Again, no documents requested.

THE NEXT DAY we went across to Belgium to visit the American War Cemetery where thousands of American soldiers are buried. Many of them fell during "The Battle of the Bulge" — the last German offensive in the Ardennes, during the grim winter of 1944. Interspersed among the thousands of crosses are gravestones with the Star of David. The white stone building at the entrance to the cemetery contains a hall where the World War II battles are detailed on large charts.

In Holland there is a very similar cemetery. It contains, if my memory serves me right, 18,000 war graves,

many from the Battle of Arnhem... and almost within walking distance from the outskirts of Aachen, there is a small hill surrounded by vast forests stretching into Germany and Belgium and the Ardennes.

On that hill there stands a low triangular cone-shaped iron marker with the letters, "G", "B", "N" (the last letter of course means Netherlands), and on a sunny weekend the nearby restaurant is full of people from these three countries. As they drink their beer and ladle out huge portions of ices with whipped cream, nobody gives a thought to the three borders around them. Yet less than 70 years ago nearly nine million soldiers died in a useless, unnecessary war, and less than 40 years ago, millions of soldiers died again, compounding the folly of Europe.

Nowadays, Germans live in Holland and cross into Germany every day for work, as they do also on the Swiss border. Quite a few times I went by train from Germany into Switzerland, and often enough,

neither the German nor the Swiss frontier police and custom officers bothered to come into the compartment. Make no mistake, those Swiss and German officials are highly trained and can spot their "customers" soon enough. They know that most people are innocent folk.

OF COURSE there is quite a different kind of border, a border which runs right across the middle of Germany — an ugly scar on a beautiful countryside, with barbed wire, watchtowers and deadly trip mines. But this is a border not built for defence — it is an obstacle to prevent the people from getting out.

Western democratic Europe has learned its lesson. The West Europeans even want their own joint anthem — the tune of the chorus of Beethoven's Ninth Symphony in its original form, "Ode to Peace." Poor Schiller, because of the then censor, had to change the word "peace" into "joy."

It has been said that the Middle East always limps 100 years behind the political development of Europe. Now the whole world talks about borders in the Middle East. True enough, Israel's and Egypt's border is at present peaceful, but you will have to wait for hours to have your papers processed. Soldiers of many nations watch that the terms of demilitarization are adhered to.

There is as yet no cone-shaped marker which on one side has the letter "E" and "I" on the other, and no little children run round it while their parents watch them from the restaurant, enjoying *tehina* and black coffee, not caring whether they are an inch inside Israel; or Egypt. The Dutch, the Belgians and the Germans have long forgotten about the "holy inch."

THERE IS A point by the river Yarmuk where Syria, Jordan and Israel meet. A fence runs along that point like an ugly scar — barbed wire and mines. Long before 1967 infiltrators came across to Israel to pillage and to murder. If they had time, they even uprooted young fruit trees.

Hafez Assad and King Hussein should take themselves off to Aachen where another three countries come together. Hussein would find that in order to establish a border, you do not need machine-gun nests such as the ones he had on the walls of the Old City in Jerusalem before 1967, and that even along the river Jordan there could be restaurants and swimming pools instead of grim-faced Jordanian soldiers glaring across the Allenby Bridge.

Whether this border remains on the Jordan, or parts of it zig-zag through bits of the West Bank like the Swiss and Italian border, is a great deal of importance. But King Hussein must first decide what kind of border he wants: "the ugly scar" one, or one where people can just walk across and have a glass of beer either in Akaba or in Eilat. At present no Jew is even allowed to live in Jordan, or, heaven forbid, in Saudi Arabia — a virtually unmarked border south of Akaba.

There is in fact a virtually unmarked border between the Dead Sea and Eilat. For years this border has been quiet. So it can be done. Even in the Middle East.

Chauvinistic, aggressive songs were sung both in Germany and France before 1914, and mostly by Germany until 1945. The songs have been forgotten. The youth in Germany and France don't know they ever existed. But each night we are still assailed by anti-Israeli words and pictures from Jordan. Europe has shown it can be done. Hussein knows Europe. He must know that there is a better way than the one he has pursued so far. Maybe if he tries, it may even work.

The writer is former chairman of the British Zionist Federation's Israel office.

READERS' LETTERS

BOOSTING TOURISM TO ISRAEL

To the Editor of The Jerusalem Post: Sir — In the year and a half that I have been here, I have encountered numerous instances of attempts on the part of Israelis to self-servingly portray the condition of American Jewry as bleak to dismal. Along these lines, Minister of Tourism Abraham Shariar reaches a new low in his article, "Danger to the Jewish People" (January 17).

Exploiting the doomsday predictions of Eliyahu Bergman (Shariar should have, at least, quoted the title of Bergman's article correctly), which foresee a drastic decline in the size of the American Jewish population by the year 2076, Shariar seizes upon tourism to Israel as one of the major remedies for the American Jewish condition.

This is not the place to refute projections; many competent demographers have already done so. Clearly, on an empirical rather

than normative level, there is no evidence that the vast majority of American Jewry will "disappear"; neither is there any evidence that they will cease to identify as Jews.

But that really is not the issue about which Shariar is concerned. He wants to boost tourism to Israel, and he sees his best chances in the largest Diaspora Jewish community.

Since that is an objective which I fully support, more for Israel's sake than for its alleged impact upon America's Jews, I would suggest that Mr. Shariar take the time and effort to learn much more about both America's Jews and effective methods of public relations. His article serves no constructive purpose; if anything, it will only widen the gap between American Jews and Israel.

CHAIM I. WAXMAN,
Visiting Professor,
Tel Aviv University
Tel Aviv.

SUMMER TIME

To the Editor of The Jerusalem Post: Sir — Without dwelling on the advantages of daylight saving time, it should be borne in mind that, situated as we are at longitude 35 degrees east, the discrepancy between summer time and mean solar time would not be one hour, but only 40 minutes.

N.M. RASBASH

Kiryat Ono.

EXCHANGE PROGRAMME

To the Editor of The Jerusalem Post: Sir — Our organization is planning to bring over students aged 16-18 from the United States, some of them Jews, for a period of five to ten months. The students will be placed in Israeli homes, in towns, moshavim and kibbutzim, and will frequent high schools or ulpanim.

We are looking for families who are ready to volunteer to host those students and at the same time enjoy the experience of a foreign student in their home. The American students are carefully screened before arriving in Israel.

Interested families from all over the country will receive detailed information when applying in writing to our office at 98, Arlosoroff Street, Tel Aviv 62097 or P.O.B. 14025, AMERICAN FIELD SERVICE ISRAEL.

International/Intercultural Programmes
Tel Aviv.

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